Alberta

Freedom To Create. Spirit To Achieve.

Employment and Immigration

Annual Report
2008-2009

Government of Alberta

This report was prepared on behalf of the Ministry by the Department of Alberta Employment and Immigration in collaboration with the Alberta Labour Relations Board and the Appeals Commission for Alberta Workers' Compensation.

For more information, contact:

Employment and Immigration
Organizational Planning and Effectiveness Branch
6th floor, 10808 – 99 Avenue
Edmonton, Alberta T5K 0G5

Email: AnnualReport.EI@gov.ab.ca
Tel. 780-415-9918, toll-free by first dialing 310-0000
Fax 780-415-2477

TDD/TTY number:
780-427-9999 in Edmonton or 1-800-232-7215

Electronic versions of this document are available at
www.employment.alberta.ca/annualreports.

Copyright © 2009, the Crown in Right of the Province of Alberta, as represented by the Minister of Employment and Immigration

Permission is hereby given by the copyright owner for any person to reproduce this document for educational purposes and on a non-profit basis.

Fall 2009

ISSN 1920-616X

Employment and Immigration

Annual Report
2008-2009

CONTENTS

2 Preface
3 Minister's Accountability Statement
4 Message from the Minister
5 Management's Responsibility for Reporting

7 Overview
8 Organizational Chart
9 Operational Overview
10 Vision, Mission and Core Businesses
11 Overview of Programs
19 Overview of Divisional Functions

21 Results Analysis
22 Message from the Deputy Minister
23 Auditor General's Report on Performance Measures
24 Integrated Results Analysis
25 Ministry Expense by Core Business
26 Ministry Expense by Function
27 Detailed Program Results Analysis and Discussion
Core Business 1: Investing in Alberta's Labour Supply
28 Goal 1: Alberta is able to meet its labour force requirements
32 Goal 2: Alberta is able to attract and retain workers to the province
Core Business 2: Investing in the Skills and Independence of Albertans
38 Goal 3: All Albertans share in and contribute to the economic prosperity of Alberta
Core Business 3: Investing in Alberta's Workplaces
43 Goal 4: Alberta has a fair, safe and healthy work environment
Alberta Labour Relations Board (ALRB) – *Independent Entity*
47 Goal 5: Alberta has a fair, equitable and stable labour relations environment
Appeals Commission for Alberta Workers' Compensation (Appeals Commission) – *Independent Entity*
49 Goal 6: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

51 Financial Information
52 Ministry Financial Analysis and Discussion
57 Ministry Financial Statements
80 Workers' Compensation Board Financial Statements

133 Appendices
134 Appendix A Ministry Acts
136 Appendix B Ministry Office Locations
141 Appendix C Alphabetical List of Government Entities' Financial Statements
147 Appendix D Performance Measures Sources and Methodologies

Preface

Public Accounts 2008-2009

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 30, 2009 contains Ministers' accountability statements, the consolidated financial statements of the Province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Employment and Immigration contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **the financial statements of entities making up the Ministry including the Department of Employment and Immigration, for which the Minister is responsible; and**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.**

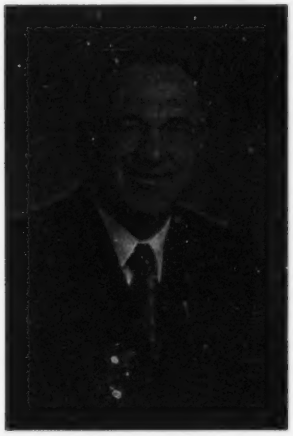
Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2009 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 1, 2009 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed by

Hector Goudreau
Minister of Employment and Immigration

Message from the Minister



One of my responsibilities as Minister of Employment and Immigration (E&I) is to ensure Albertans are well informed about the diverse work performed in this Ministry. This Annual Report summarizes the activities underway in 2008-09 to help people in Alberta participate in the province's labour force. The financial statements and performance measures provide context for these achievements.

We continued to build a skilled workforce to improve the long-term sustainability of Alberta's economy, and collaborated with Aboriginal communities to increase their labour force participation. To fill existing gaps in the labour market, we attracted workers from around the globe and supported them as they built a new life in our province. We also continued to apply innovative approaches in partnership with business, industry and labour to ensure Alberta's workplaces are fair, safe and healthy.

Much of our work focused on assisting Albertans in need. E&I staff worked with people on an individual basis, providing career and employment training, financial assistance, and many other services to help them achieve independence.

The Francophone Secretariat is the liaison between the Alberta government and Alberta's francophone community. The Secretariat represented the needs of the Francophone community within government and supported activities to promote French language and culture.

The Alberta Labour Relations Board promoted fair and equitable relations between workers and labour organizations in the province, while the Appeals Commission for Alberta Workers' Compensation provided fair decisions on appeals. Both are independent and impartial tribunals.

E&I staff worked closely with stakeholders and industry partners to address the economic fluctuations over the course of the year, providing Albertans with the support they needed. I wish to thank all staff and our partners for their dedication and commitment to Albertans. I am proud of the accomplishments highlighted in this Annual Report.

Original signed by

Hector Goudreau
Minister, Employment and Immigration

Management's Responsibility for Reporting

The Ministry of Employment and Immigration includes:

- Department of Employment and Immigration
- Francophone Secretariat
- Alberta Labour Relations Board (Independent Entity)
- Appeals Commission for Alberta Workers' Compensation (Independent Entity)
- Workers' Compensation Medical Panels
- Occupational Health and Safety Council
- Workers' Compensation Board – Alberta

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Employment and Immigration. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and with the sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – Performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Minister of Employment and Immigration any information needed to fulfill their responsibilities; and

- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Original signed by

Shirley Howe
Deputy Minister, Employment and Immigration
August 28, 2009

Employment and Immigration

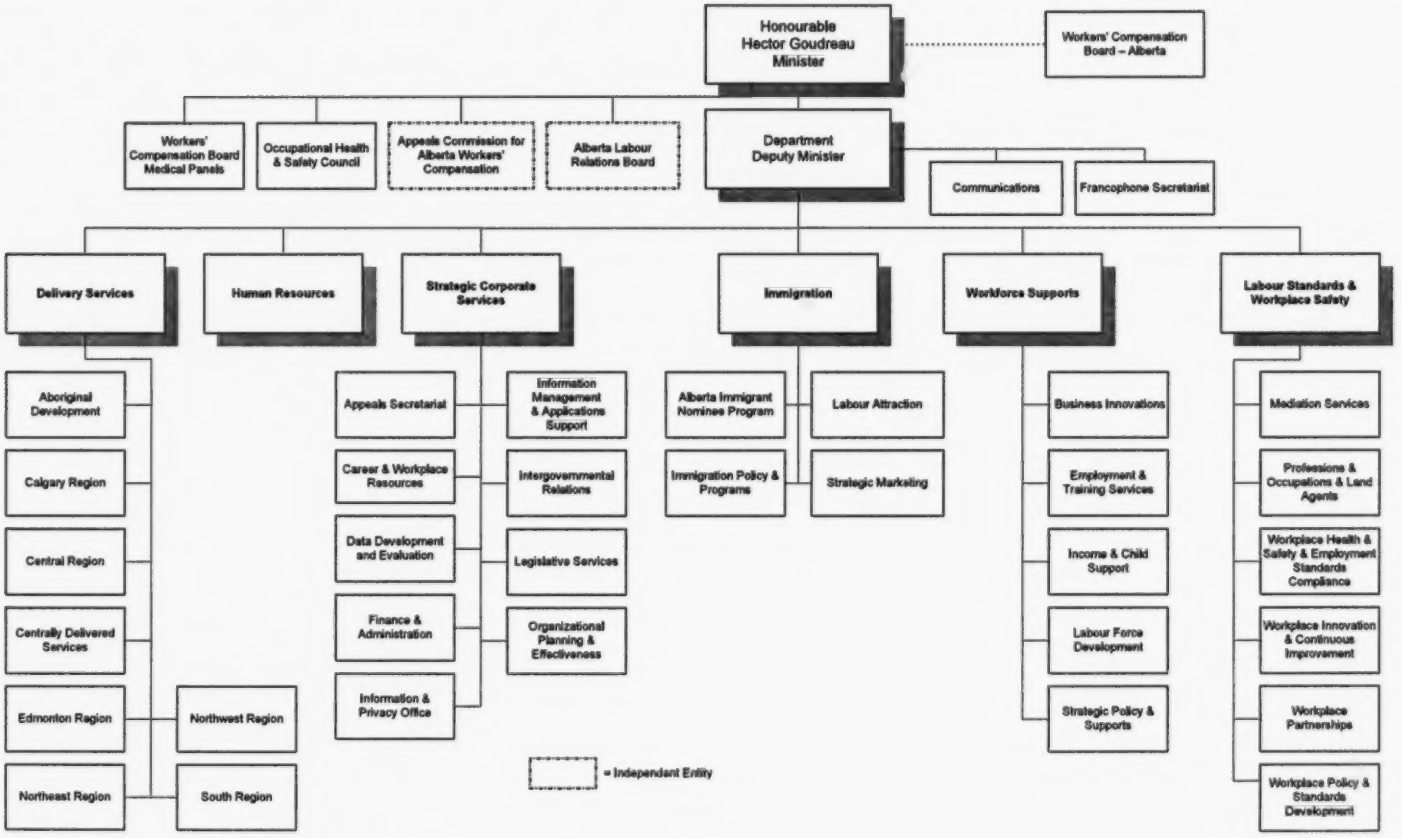
Overview

- Organizational Chart
- Operational Overview

Organizational Chart

Ministry of Employment and Immigration

As of March 31, 2009



Operational Overview

Employment and Immigration's Annual Report consists of information about the following:

- Ministry of Employment and Immigration
- Department of Employment and Immigration
- Francophone Secretariat
- Alberta Labour Relations Board *(Independent Entity)*
- Appeals Commission for Alberta Workers' Compensation *(Independent Entity)*
- Workers' Compensation Medical Panels
- Occupational Health and Safety Council

Financial information for the Workers' Compensation Board – Alberta (WCB) is included in this report. Additional WCB information is provided annually to the Minister in a separate report.

This section includes the Ministry's vision, mission and core businesses; an overview of Ministry programs; and an overview of divisional functions within the Department of Employment and Immigration.

Ministry of Employment and Immigration

Vision, Mission and Core Businesses

Vision

Albertans have a fair, safe and supportive environment in which to work and live.

Mission

To contribute to the long-term sustainability of the economy by ensuring Alberta has a skilled workforce, productive and safe workplaces, and by helping to improve the well-being of Albertans.

Core Businesses

Core Business 1: Investing in Alberta's Labour Supply
Employment and Immigration works to ensure Alberta has a sufficient supply of workers to meet the needs of the economy now and in the future. This includes attracting and retaining other Canadians and immigrants to Alberta's workforce.

Goal 1: Alberta is able to meet its labour force requirements

Goal 2: Alberta is able to attract and retain workers to the province

Core Business 2: Investing in the Skills and Independence of Albertans
Employment and Immigration helps individual Albertans and families realize their potential and ability to share in the social, economic and cultural fabric of the province.

Goal 3: All Albertans share in and contribute to the economic prosperity of Alberta

Core Business 3: Investing in Alberta's Workplaces
Employment and Immigration supports fair, safe and healthy workplaces.

Goal 4: Alberta has a fair, safe and healthy work environment

Alberta Labour Relations Board

Goal 5: Alberta has a fair, equitable and stable labour relations environment

Appeals Commission for Alberta Workers' Compensation

Goal 6: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board – Alberta decisions

Overview of Programs

Core Business One: Investing in Alberta's Labour Supply

Labour Force Requirements Programs

The Department works with stakeholders to build better workplaces that both attract and retain a capable labour force contributing to overall business success. Major initiatives to support the investment in Alberta's labour supply include:

Building and Educating Tomorrow's Workforce is Alberta's comprehensive labour strategy, which remains current and responsive. The Department continues to work on attracting, retaining and developing a skilled and productive workforce as well as safe and high-performing workplaces. As part of this strategy, Employment and Immigration looks to alternative labour force attraction, development and retention strategies for mature workers, under-represented groups and Aboriginal Peoples.

Aboriginal Economic Development is committed to increasing the participation of Aboriginal communities and businesses in Alberta's regional economic development. This includes working to increase the total off-reserve labour force of Alberta's First Nations, Métis and Inuit people. It also involves creating partnerships, in part through detailed consultation activities with Aboriginal community stakeholder groups.

Workforce Partnerships ensure working Albertans continue to enhance their skills in order to contribute to Alberta's economic growth, or to respond to skills shortages through collaborative efforts with industry, community groups, employer groups, organizations, industry sectors and municipalities with common labour market needs. Workforce Partnerships program elements include:

- Labour Market Partnerships (LMP) Program - enhances workplace human resource development and labour market adjustment strategies through community partnerships.
- Workforce Attraction and Retention Partnerships (ARP) Program - assists employers and employer associations to take timely and direct action to attract and retain workers.

The **Office of Statistics and Information (OSI)** is responsible for consolidating official statistics and other key government data to support the efficient and strategic management and dissemination of information for policy and decision-making. The OSI's vision is that "Government of Alberta official statistics are relevant, credible, comprehensive and easily accessible to support effective planning, decision-making and program delivery for all Albertans, businesses and organizations", where the OSI "works on behalf of Government and Albertans to facilitate the creation, use and dissemination of Government Official Statistics and related information to inform policies and decisions." Alberta Official Statistics are available through the OSI website (http://employment.alberta.ca/osi). As the Government of Alberta's online data and information gateway, *datalink* securely connects public service users and, in the future, community stakeholders with access to a range of statistical data and analysis to help make informed decisions.

Immigration Programs

The Department provides information to immigrants about Canada's and Alberta's immigration processes, helps people immigrate to Alberta by nominating them for expedited processing by the federal government, and also provides the following programs and services designed to help immigrants before and after they arrive in the province:

Settlement Services allow new Albertans to access immigrant-serving agencies for general settlement assistance, including information, orientation, interpretation/translation or referral services.

Language Training is provided in partnership with Citizenship and Immigration Canada (CIC), and supports two centres that assess language proficiency and provide up-to-date information on English language training programs running in Edmonton and Calgary.

International Qualifications Assessment Services (IQAS) provides an educational assessment service that compares educational qualifications from other countries to provincial educational standards. Clients include individuals, employers, Canadian educational institutions, professional licensing bodies, organizations and other provinces.

The **Alberta Immigrant Nominee Program (AINP)** is an immigration program operated for the Government of Alberta by the Department in conjunction with CIC to expedite the processing of applications for permanent resident status. The AINP is designed to support Alberta's economic growth by attracting labour-market-destined immigrants to the province. Individuals nominated by the Province of Alberta, together with their spouse and dependent children, are eligible to apply for a permanent resident visa through CIC as a Provincial Nominee. CIC expedites permanent resident applications from Provincial Nominees and makes final decisions on permanent resident applications.

International Marketing involves research-based, targeted recruitment initiated by Alberta industry and government to build the workforce and remain competitive in the global market. Foreign market consultants identify emerging opportunities and develop tactical plans to attract temporary foreign workers, permanent residents, seasonal workers and inter-company transferees. International marketing is a long-term business function focused on building awareness of Alberta's opportunities and quality of life.

Bridging Programs help immigrants with prior work experience or education to bridge the gaps in knowledge or skills needed to gain entry to their occupation or a related field in Alberta. There may be a language training component, but the focus is primarily on skills training.

Core Business Two: Investing in the Skills and Independence of Albertans

Employment and Training Programs

Through the following programs, the Department provides career and employment services to help Albertans with career planning, work search, job maintenance skills and training they need to find and keep work:

Career Resources ensure that Albertans have access to career, workplace and labour market information to help them choose a training or learning path, find and keep a job, and plan or change careers. These include:

- Alberta Learning Information Services (ALIS) – designed to help Albertans explore career choices, research information on occupations, education and training programs, link to post-secondary learning institutions, find information about student finance and scholarships, search for work and find labour market information;
- Career and Employment Workshops – workshops are offered during the day, evenings and weekends;
- Career Consulting – provides career advice and counseling;
- Canada-Alberta Job Order Bank Service (JOBS) – is a job bank service where Alberta employers can post job opportunities and job seekers can get information about careers, employment and job opportunities;
- Career Information Hotline – designed to help Albertans make informed career, education and employment decisions. Career advisors are available by telephone, TDD, fax, email and through a website;
- Careers in Motion – lets youth and job seekers look for work, obtain resumé writing help and explore careers, training and post-secondary education. Visitors can also contact a career counselor for advice and information;
- Job Placement Services – designed for Albertans who have had trouble locating steady employment, but who want to work;
- Labour Market Information Centers (LMICs) – Alberta's LMICs are multi-media resource centers with an extensive range of career and employment-related print and electronic resources and information to help make career, learning and work decisions; and
- Youth Connections – designed to help young Albertans who are unemployed or under-employed, have left school early or have not continued with their post-secondary education explore career options.

Training for Work provides full-time and part-time occupational training to enable individuals to get a job, substantially improve their employment situation, adapt to changing labour market conditions and gain skills to sustain employment. Program elements include:

- Occupational Training – offers classroom-based training that is occupation-specific and focused on helping Albertans acquire the job-specific skills needed to improve their employment status;
- Integrated Training – skills-based training combining academic and general employability skills with occupation-related skills;
- Workplace Training – provides employer-delivered and work-site training for unemployed and marginally employed people having difficulty finding work due to lack of skills;
- Part-time Training – provides funding for part-time courses available for academic upgrading or occupation-specific programs for those wanting to improve their education and occupational skills while continuing to work;
- Self-Employment – provides training leading to self-employment with formal instruction on business plan development, business counseling, coaching and guidance;

- Alberta Job Corps (AJC) – provides structured, supportive training and workplace experience for Albertans who have demonstrated they are unable to find or maintain work in the competitive labour market;
- First Nations Training to Employment – provides workplace training opportunities for First Nations people in high-demand occupations;
- Aboriginal Training to Employment – supports the development of partnerships with First Nations, Métis and other Aboriginal communities, organizations, government departments, industry and other interested parties to facilitate the participation of Aboriginal people in training projects;
- Disability Related Employment Supports – provides assistance to Albertans in overcoming barriers to employment created by their disability;
- Transitional Vocational Program – provides training and work experience to assist Albertans with a developmental disability to obtain and maintain employment and gain independence;
- Quebec/Alberta Student Employment Exchange Program – offers summer employment opportunities within Quebec and Alberta provincial governments for university students; and
- Summer Temporary Employment Program (STEP) – a temporary employment program, mainly for high school and post-secondary students, which provides career-related employment opportunities during the spring and summer months.

Work Foundations provides full-time and part-time basic skills training and academic upgrading to enable Albertans to pursue further job-related training and/or to find a job and substantially improve their employment situation. Program elements include:

- Basic Skills Training – a training program designed to help people develop the basic competencies needed to obtain employment and/or pursue further training;
- Academic Upgrading – provides a grade 10 to 12 training program that helps individuals develop the academic competencies needed to get a job or pursue further job training;
- English as an Additional Language (EAL) – a program designed to help people improve their English language skills;
- General Education Development (GED) – upgrading to meet minimum academic requirements of a high school education;
- Technical Entrance Preparation – intensive programs that provide entrance requirements for individuals applying for admission to Alberta's technical institute programs; and
- University College Entrance Preparation – intensive programs that enable learners to achieve the necessary matriculation course equivalents for admission to Albertan post-secondary institutions.

Supports for Albertans Programs

The Department provides the following programs and services to help Albertans with lower incomes meet their basic needs and transition into the workforce:

Income Support provides financial benefits to individuals and families who do not have the resources to meet their basic needs, such as food, clothing and shelter. The level of assistance varies depending on each individual's situation including financial resources, ability to work and the number of children in the family. People who are eligible for Income Support also receive health benefits for themselves and their dependants, job search information and training, and help in obtaining child support payments. People in three general situations may qualify for Income Support:

1. Not Expected to Work – Income Support benefits are provided to individuals and their families where all adults in the household are not expected to work because of disabilities or multiple barriers to employment.
2. Expected to Work and Working – Income Support benefits are provided to individuals and their families where at least one adult in the household is able and available to work. This includes people who are working, people who are in short-term treatment or training programs, and people who are temporarily unable to work.
3. Income Support for Learners – provides benefits for living allowances, tuition, books and mandatory fees for eligible learners attending approved training programs, such as academic upgrading, English language training and integrated training.

The **Alberta Child Health Benefit (ACHB)** provides premium-free coverage for health benefits (dental, optical, prescription drugs, emergency ambulance services and essential diabetic supplies) to children in Alberta families with limited incomes. It includes children under 18 and dependents up to age 20 who live at home and are attending high school.

The **Alberta Adult Health Benefit (AAHB)** provides premium-free health benefits (dental, optical, prescription drugs, emergency ambulance services and essential diabetic supplies) to individuals and families with limited incomes. Clients who qualify for the AAHB include: former Income Support and/or Assured Income for the Severely Handicapped (AISH) clients who have income from employment, self-employment, or the Canada Pension Plan Disability program. The AAHB is also available to pregnant women with limited incomes, and households with high ongoing prescription drug needs and limited incomes.

Child Support Services (CSS) assists single parents and parents of blended families obtain child support agreements or court orders. CSS also registers the agreements or orders for enforcement, collection and disbursement with Alberta Justice's Maintenance Enforcement Program. The additional income that child support provides makes it easier for these parents to stay in the workforce. Those receiving Income Support, the Alberta Adult Health Benefit and Assured Income for the Severely Handicapped are automatically eligible for help through CSS. Help with child support is also available to other eligible Albertans with limited incomes.

Francophone Secretariat

The **Francophone Secretariat** develops and implements approaches to foster ongoing collaboration between the government and the francophone community, and addresses priority issues, including:

- Implementation of an action plan for French Language Services;
- Support, encouragement and facilitation of initiatives related to the francophone community across a broad range of sectors, including arts and culture, early childhood, economic development and tourism, employment, education, health, heritage preservation, infrastructure, post-secondary education and settlement and integration;
- Participation in the Ministerial Conference on the Canadian Francophonie (MCCF) initiatives; and
- Representing the government at various community meetings and events.

Core Business Three: Investing in Alberta's Workplaces

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

The Department supports this core business through its business and industry programs, and its Fair, Safe and Healthy Workplaces Programs:

Fair, Safe and Healthy Workplaces Programs

The Department works with government, industry and labour stakeholders to develop joint strategies and provide the following programs and services to ensure Alberta has fair, safe and healthy workplaces:

Mediation Services promotes positive and productive relationships between labour and management in Alberta by assisting parties to resolve collective bargaining disputes. Mediation Services appoints mediators in accordance with Alberta's legislation, which requires mandatory mediation before parties are legally permitted to strike or lockout. Mediation Services also appoints grievance arbitrators to resolve differences arising over the interpretation, application or perceived violation of a collective agreement.

Labour Relations Policy and Facilitation provides employers, employees and unions with facilitation, education and relationship-building services along with an effective labour relations legislation framework that increases the capacity of Alberta's workplaces to address employment issues without undue disruption.

Professions and Occupations handles the governance of regulated non-health professions, licensing and regulating Alberta land agents, and facilitating labour mobility both into and out of the province. E&I helps to serve public interest by handling complaints about regulated professionals, professional associations, and land agents. All areas work closely with regulated professional organizations to ensure their members provide Albertans with the highest standard of professional services.

Workplace Health and Safety

- Policy – responsible for ensuring the *Occupational Health and Safety Act*, *Code* and *Regulation* provide the relevant health and safety rules of the workplace and support meaningful and productive standards of practice.
- Technical Support – supports work with industry partners to encourage employers and workers to build effective health and safety programs. Work is undertaken with external organizations (e.g., Canadian Standards Association) to develop standards for identifying and controlling hazards, codes of practice, safe work procedures, and to communicate health and safety information.
- Promotions – develop and provide industry, employers and workers with health and safety informational material. The Work Safe Alberta initiative promotes a culture of health and safety in Alberta workplaces.
- Compliance – conducts inspections of Alberta work sites to ensure compliance with the *Occupational Health and Safety Act*, *Code* and *Regulation*. E&I investigates complaints that have been lodged and performs proactive inspections. Work site incidents and fatalities are also investigated, which can result in prosecutions for serious violations of legislation.

Partnerships in Health and Safety is based on the premise that when employers and workers voluntarily build effective health and safety programs in their own workplaces, the human and financial costs of workplace injuries and illnesses will be reduced. It is a province-wide injury prevention program that promotes workplace health and safety through voluntary partnerships with industry groups, safety associations, education institutions, labour organizations and employers. A Certificate of Recognition (COR) is provided to employers who have developed health and safety programs and practices that have met established standards. Achieving and maintaining a valid COR is required to earn a financial incentive through the Workers' Compensation Board's Partners in Injury Reduction program.

Employment Standards

- Policy – provides employers and employees with an effective legislative and regulatory framework to establish core standards for employment in the province that are mutually supportive of both employers and employees.
- Education – provide information and education to employers and employees on minimum standards of employment, including rights and obligations of minimum wage, hours of work, overtime, general holidays, vacation, termination and employment of adolescents. This includes various educational activities and working with industry partners to promote voluntary compliance with the *Employment Standards Code* and *Regulation*.
- Compliance – conducts inspections of Alberta work sites to ensure compliance with the *Employment Standards Code* and *Regulation*. E&I investigates complaints that have been lodged and uses a range of actions to achieve compliance.

Ministry entities also contribute to the achievements of the Core Business of Investing in Alberta's Workplaces:

ALBERTA LABOUR RELATIONS BOARD

The Alberta Labour Relations Board (ALRB) is a quasi-judicial body responsible for the application and interpretation of Alberta's labour relations laws. Both the Minister and the Deputy Minister maintain an arm's-length relationship with the ALRB.

APPEALS COMMISSION FOR ALBERTA WORKERS' COMPENSATION

The Appeals Commission for Alberta Workers' Compensation (Appeals Commission) is an independent, quasi-judicial body that is the final level of appeal for decisions of the Workers' Compensation Board – Alberta. It operates at arm's length from the Workers' Compensation Board – Alberta and the government.

WORKERS' COMPENSATION MEDICAL PANELS

Workers' Compensation Medical Panels provide the Workers' Compensation Board – Alberta and the Appeals Commission for Alberta Workers' Compensation with an impartial and independent decision-making process to resolve medical issues relating to Workers' Compensation claims. Each panel is made up of three physicians with specialized knowledge of the medical area in dispute.

OCCUPATIONAL HEALTH AND SAFETY COUNCIL

The mandate of the Occupational Health and Safety Council is to advise the Minister of Employment and Immigration on matters concerning the *Occupational Health and Safety Act* and on matters related to the health and safety of Alberta workers. In addition, the Council is empowered to hear appeals of orders issued by Occupational Health and Safety Officers, oversee the review of the *Occupational Health and Safety Code* and perform related duties and functions that may be assigned by the Minister.

Department of Employment and Immigration

Overview of Divisional Functions

The Department of Employment and Immigration (E&I) consists of five divisions:

- Delivery Services
- Immigration
- Strategic Corporate Services
- Workforce Supports
- Labour Standards and Workplace Safety

Each division is supported by E&I Communications and Human Resources. E&I also includes the Francophone Secretariat, which serves as a liaison between the government and the Alberta francophone community. All divisions have key activities relative to E&I's core businesses and provide support to cross-ministry projects.

Delivery Services Division

Delivery Services is composed of staff in 59 service access sites and 16 Alberta Job Corps sites across the province, and in Centrally Delivered Services' contact centres. This division is the primary contact point for Albertans in accessing most of E&I's programs, services and information. The division helps Albertans find and maintain jobs, employers meet their needs for skilled workers, and Albertans with lower incomes by providing financial and health benefits and child support services.

Immigration Division

The division provides settlement and integration services for immigrants, administers the Alberta Immigrant Nominee Program and markets Alberta as a destination of choice for newcomers.

Strategic Corporate Services Division

The Strategic Corporate Services division is responsible for finance, human resources, legislative assistance, data development and evaluation, information and privacy office, information management and application support, organizational planning and effectiveness, intergovernmental relations, benefit decision appeals and career and workplace resources. The division also includes the Office of Statistics and Information (OSI), which is responsible for consolidating official statistics and other key government data to support the efficient and strategic management and dissemination of information for policy and decision-making.

Workforce Supports Division

Workforce Supports is responsible for policy and program development related to employment and training services, labour mobility, health benefits, child support services and income support for Albertans with lower incomes, and ensures Albertans have the skills, supports and information they need to succeed in the labour market.

The division creates innovative and effective policies to help Albertans with lower incomes meet their basic needs, under-represented groups, such as Aboriginal people and persons with disabilities, develop skills and increase their labour force participation and industry to develop a skilled and productive workforce that meets the changing needs of the economy.

Labour Standards and Workplace Safety Division

Labour Standards and Workplace Safety has policy and delivery staff working across the province in 14 sites developing and implementing legislation, policy and programs so Alberta has a fair, safe and healthy work environment. This involves legislation, policy and programs and services in employment standards, labour relations and mediation, workplace health and safety and professions and occupations.

Communications

Communications supports government and E&I with issues management, promotion of department programs and initiatives through communications planning, media relations and advertising, effective public information materials and advice and support on writing, communication plan development and the government visual identity program.

Human Resources

Human Resources (HR) provides E&I employees with services to fulfill all of their human resources needs. HR staff members actively consult with employees throughout the department to support and help to set the best direction for human resources activities, and to ensure the best possible services are available to E&I staff. HR's mission is to work collaboratively to help manage the department's business.

Francophone Secretariat

The Government of Alberta established the Francophone Secretariat in 1999 in recognition of its commitment to its francophone citizenry. The Francophone Secretariat serves as a liaison between the Government and the Alberta francophone community, clarifies and represents the needs of the francophone community within government, in particular with the ministries of Advanced Education and Technology, Culture and Community Spirit, Children and Youth Services, Education, Employment and Immigration, Health and Wellness, Infrastructure, Justice and Attorney General, Municipal Affairs, Seniors and Community Supports, Tourism, Parks and Recreation, and Service Alberta. The Francophone Secretariat represents francophone Albertans and the Province of Alberta in organizations and events such as conferences of ministers responsible for francophone affairs, and participates in the negotiation of federal/provincial agreements relating to French language, culture, and education programs.

Employment and Immigration

Results Analysis

- Message from the Deputy Minister
- Auditor General's Report on Performance Measures
- Integrated Results Analysis
    - Ministry Expense by Core Business
    - Ministry Expense by Function
- Detailed Program Results Analysis and Discussion

Message from the Deputy Minister

The 2008-09 fiscal year was a busy time for this Ministry as we helped Albertans adjust to both labour shortages and increasing unemployment as the global economic downturn began to affect the province. Throughout these fluctuations, the Ministry delivered services to Albertans through programs that supported the labour force needs of the province, ensured healthy, safe and fair treatment of workers, provided settlement services for newcomers, and helped low-income Albertans meet their basic needs.

We invested in numerous initiatives to improve Alberta's labour supply, particularly for under-represented groups. The Maskwacîs Employment Centre was established as a one-stop career and employment center in Hobbema that will assist community members to prepare for, obtain, and maintain employment. This is the first full-service employment centre operating in a First Nation community in the province. This is just one example of how the Ministry collaborated with Aboriginal communities to increase labour force participation.

We promoted our province internationally as a great place to work and live in order to attract skilled workers for industries that experience labour shortages. The Alberta Immigrant Nominee Program Family Stream was launched in June 2008 to help Alberta meet its workforce needs while ensuring newcomers have a strong support system. We also helped newcomers settle into their communities by providing language services and employment supports. In 2008-09, eight settlement services pilot projects were implemented for temporary foreign workers. A Foreign Qualification Recognition Plan for Alberta was developed to help immigrants have their skills, job experience and education assessed, enabling them to obtain meaningful employment in their field.

As the economy slowed, workforce adjustment teams met with employers and laid-off staff to provide employment advice, information about training options and arrange job fairs. Staff members worked in our offices throughout the province to connect individuals with employment, reducing the likelihood that they would require income support. We also produced online and print resources with career and employment information. The Francophone Secretariat continued to build relationships with Alberta's French-speaking people and facilitated the francophone community's interaction with government.

The Ministry is committed to keeping Alberta's workplaces fair, safe and healthy. In 2008, companies which were convicted of serious safety infractions were fined over $5 million by Alberta courts, with the majority of those penalties directed towards creating or improving existing safety programs. We developed resources explaining Alberta's employment standards and workplace health and safety regulations in 11 languages in recognition of the needs of Alberta's diverse workforce.

These highlights are just a few of the impressive achievements made possible through the efforts of Ministry staff and our partnerships with business, labour, industry and associations.

Original signed by

Shirley Howe
Deputy Minister, Employment and Immigration

AUDITOR GENERAL *Alberta*

Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as "Reviewed by Auditor General" included in the Ministry of Employment and Immigration's 2008-09 Annual Report. These performance measures are prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measures in the Ministry's 2008-09 Annual Report are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

[Original signed by Fred J. Dunn]
FCA
Auditor General

Edmonton, Alberta
August 28, 2009

Integrated Results Analysis

Detailed analysis and up to four years of historical results for each performance measure are contained in the Detailed Program Results Analysis and Discussion (pages 27-50). In addition, a summary of Employment and Immigration's performance measures methodologies for the results reported in the Detailed Program Results Analysis and Discussion can be found in Appendix D – Performance Measures Sources and Methodologies (pages 147-155). Please see Financial Information (pages 51-132) for all components of the Ministry financial statements and an in-depth discussion of financial information.

Ministry Expense by Core Business

The following discussion of Ministry expenses is broken out by core business. It provides the budgeted and actual spending for 2008-09 as well as actual spending for 2007-08.

	2008-09		2007-08
Core Business (in thousands)	**Budget[1]**	**Actual**	**Actual**
Investing in Alberta's Labour Supply	138,101	103,535	85,176
Investing in the Skills and Independence of Albertans	731,174	821,240	714,211
Investing in Alberta's Workplaces	50,642	50,239	45,490
Total Ministry Core Business Expense	$919,918	$975,014	$844,877

[1] Authorized Supplementary Funding is not included in the Core Business Original Budget

Comparison of 2008-09 Budget to 2008-09 Actuals by Core Business

- Investing in Alberta's Labour Supply – Lower than anticipated utilization of English as an Additional Language and bridging programs resulted in expenses that were $13.5 million less than budget. Health Workforce Development project deferrals created an additional surplus of $4.3 million and funding reallocations of $15.3 million helped address employment program cost pressures.

- Investing in the Skills and Independence of Albertans – Expenses were $90.0 million higher than budget primarily due higher than anticipated Income Support caseloads and increased utilization of employment and training programs. Budget reallocations and supplementary funding helped offset the increased expenses.

- Investing in Alberta's Workplaces – Labour Standards and Workplace Safety spending was in line with the 2008-2009 budget.

Comparison of 2008-09 Actuals to 2007-08 Comparable Actuals by Core Business

- Investing in Alberta's Labour Supply – Additional Health Workforce Development initiatives combined with increased immigrant program activities resulted in increased expenditures of $18.4 million over 2007-08.

- Investing in the Skills and Independence of Albertans – The increase of $107.0 million in spending from 2007-08 was primarily due to increased Income Support caseloads and additional spending on employment and training programs and on program delivery support and management costs.

- Investing in Alberta's Workplaces – Increased expenditures of $4.7 million were the result of activity related to employment standards and to work supporting Temporary Foreign Workers.

Ministry Expense by Function

For the year ended March 31, 2009

	(in thousands) 2008-2009		2007-2008
	Budget	Actual	Actual (Restated)
Education	271,563	270,091	256,833
Social Services	449,781	536,759	450,030
Agriculture, Resource Management and Economic Development	94,249	66,517	59,783
Regional Planning and Development	5,000	4,726	-
Recreation and Culture	-	4,801	1,442
Protection of Persons and Property	50,801	50,028	45,278
Health	48,500	39,754	29,969
General Government	24	2,338	1,542
Expense by Function	$ 919,918	$ 975,014	$ 844,877

Un-audited information as per *2008-09 Ministry Annual Report Standards*

Detailed Program Results Analysis and Discussion

This section provides a detailed discussion of the achievements and performance results of Employment and Immigration over the past year. Contained in each core business are the corresponding goals, an explanation of what each goal means, the achievements for each strategy and results for each performance measure identified in the 2008-2011 Business Plan.

In prior years, the Auditor General applied specified auditing procedures to all ministry performance measures included in the annual report. In the current year the Auditor General conducted a limited assurance (review) of selected performance measures that are identified in the annual reports as "Reviewed by the Auditor General". The measures were selected for review by ministry management based on the following criteria established by government:

- ensuring measures that best represent the goal and mandated initiatives;
- measures have well established methodology and reporting of data;
- measures have outcomes over which the government has a greater degree of influence; and
- each goal has at least one reviewed performance measure.

Detailed Program Results Analysis and Discussion

Core Business 1: Investing in Alberta's Labour Supply

GOAL 1 Linked to Core Business 1 – Investing in Alberta's Labour Supply

Alberta is able to meet its labour force requirements

Strategy 1.1

Continue to implement *Building and Educating Tomorrow's Workforce* and concentrate efforts on developing and retaining a skilled and productive workforce.

E&I worked throughout 2008-09 to ensure that Albertans were supported in acquiring the knowledge, skills and resources needed to participate in current and future labour force opportunities. Highlights include:

- Facilitated the development and release of three industry-led sector workforce strategies – non-profit, forestry and supply chain logistics, and continued to work with the energy, construction, manufacturing, retail, tourism and hospitality sectors.
- Implementation of 13 new Workplace Essential Skills Training (WEST) projects, initiated by partnerships between training providers and employers. The projects provide essential skills training to employees.
- E&I offices throughout Alberta continued to develop partnerships with local business and industry, and worked with employers to develop innovative strategies to enhance labour force development and retention of employees.
- Led initiatives to match employers with potential employees (e.g., job fairs, Employer Connections, Canada-Alberta Job Order Bank). Employers posted 157,758 jobs on the Canada-Alberta JOBS website. Over 300 Employer Connections events occurred in our Labour Market Information Centres where employers recruit on-site. E&I also raised awareness of hiring mature workers, Aboriginal Peoples and persons with disabilities.
- Provided "Workforce Adjustment" support to employers having to downsize/layoff employees.
- E&I's Occupational Demand and Supply Model was enhanced and released on the Labour Market Information section of E&I's website (http://employment.alberta.ca/lmi) to support decision-making related to occupational skill shortages.

Strategy 1.2

Develop and support labour market programs designed for Aboriginal Peoples and create partnerships with Aboriginal communities including First Nations on- and off-reserve, Métis and Inuit to increase their labour force participation.

E&I and Aboriginal Relations co-led, with support from Education and Advanced Education and Technology, the First Nations, Métis and Inuit Workforce Planning Initiative. An MLA Committee is meeting with First Nations and Métis elected leaders throughout the province to support the development of collaborative, community-based workforce action plans.

E&I offices partnered with employers, First Nations, Aboriginal groups and other levels of government to support employment and training initiatives for Aboriginal Peoples in areas such as: entrepreneurship, healthcare aides, heavy equipment operators, environmental monitoring, construction and petroleum land administration. This, along with other labour market programs

and services, helped increase Alberta's First Nations, Métis and Inuit off-reserve labour force to 72,800 at the end of 2008.

Strategy 1.3

Continue to implement the Health Workforce Action Plan and work with stakeholders to develop the Health Workforce Strategy to inform, attract, develop and retain health professionals in the province.

In the 2008-09 fiscal year, E&I continued to develop and deliver programs and services in partnership with healthcare employers, educators, professional associations and regulatory bodies to increase the supply of healthcare workers in Alberta. E&I implemented three of the eleven actions in the Health Workforce Action Plan. Projects for these three actions are related to: attracting health professionals working abroad; creating a health career and skills assessment network; and reducing and avoiding injury (No Unsafe Lift campaign).

Two Health Career Centres were opened in Edmonton and Calgary: the Bredin Institute Centre for Skilled and Internationally Trained Professionals in Edmonton, and Directions for Immigrants in Trades and Professional Careers at Bow Valley College in Calgary. An international recruitment initiative was implemented which generated 2,894 potential healthcare employee leads, almost three times the target of 1,000.

A second annual Health Workforce Summit for health stakeholders, jointly sponsored by E&I, Health and Wellness and Advanced Education and Technology was held on June 19, 2008. The theme of the 2008 summit was "Creating High Performance Work Environments".

Strategy 1.4

Create and implement alternative development, attraction and retention strategies for workers (including mature and under-represented workers) so all Albertans have the opportunity to share in the province's prosperity.

E&I provided the tools to help Albertans prepare for success in today's economy and support the participation of groups traditionally under-represented in the labour force. This included assisting those who are unable to find employment, helping lower-skilled people who are working remain employed, and assisting clients with barriers to employment. In partnership with Health and Wellness and Seniors and Community Supports, job preparation and placement projects were undertaken for people with disabilities.

The Workforce Attraction and Retention Program was administered for various projects, including cultural awareness training workshops and development of educational material on recruiting and retaining professional skilled immigrants. E&I also collaboratively developed a presentation to communicate the Non-Profit and Voluntary Sector Workforce Strategy to stakeholders.

Strategy 1.5

Lead the Office of Statistics and Information which will consolidate and disseminate official statistics and other key government data to support strategic management, policy development and decision-making.

In collaboration with other ministries, the Office of Statistics and Information (http://employment.alberta.ca/osi) led the consolidation and development of the first ever suite of

Alberta Official Statistics. The initial suite comprised 67 fact sheets that inform the development, implementation and monitoring of government policies and decision-making on social, economic, environmental and other key issues. The newly established GOA Statistics Council is the main advisory body for the OSI and provides a medium for addressing long-standing or inter-ministry statistical issues. The Alberta's Official Statistics Project adopted cross-ministry processes for the selection and certification criteria, presentation considerations and templates.

OSI legislation, operational policy and processes were drafted, and a full privacy impact assessment of the OSI was undertaken at the request of the Office of Information and Privacy Commissioner. The *Statistics Bureau Amendment Act* received royal assent in December 2008.

E&I also led the province's renegotiation of an Omnibus Agreement with Statistics Canada. To further enhance efficient data and knowledge sharing within the GOA, an online Statistics Users Network was initiated. The network is intended to facilitate statistics-related discussions, clarification and the exchange of statistical information and knowledge for GOA participants.

Performance Measure 1.a

Labour productivity: inter-provincial rank of real Gross Domestic Product in dollars per hour worked (#1 is the highest)

In 2008, Alberta's labour productivity as measured by real Gross Domestic Product (GDP) per hour worked declined to $47.53; however, Alberta continued to have the highest labour productivity level of all the provinces. By comparison, Canada's labour productivity level was $40.86 per hour in 2008. Alberta's decline in labour productivity was driven mainly by the energy and construction sectors, but also by manufacturing and finance. The economic downturn and a reduction in oil and gas production led to a decrease in real GDP for Alberta's energy, construction and manufacturing sectors. There was increased activity in the finance sector, which experienced a large increase in total hours worked; however, it only had a slight increase in real GDP, which led to its decline in productivity. By comparison, strong growth was registered for the agriculture, accommodation and food services, and wholesale trade sectors, whose activities all led to an increase in real GDP.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	#1 $47.25 (2004)	#1 $48.82 (2005)	#1 $49.34 (2006)	#1 $48.20 (2007)	#1 $47.53 (2008)	#1	Yes

Source: Statistics Canada
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 1.b

Alberta First Nations, Métis and Inuit off-reserve labour force

In 2008, Alberta's First Nations, Métis and Inuit (FNMI) off-reserve labour force increased to 72,800, exceeding its target. This represents the number of FNMI people living off-reserve who are either employed or actively seeking employment (unemployed). The performance measure is calculated as a 12-month average for the calendar year. There was a decrease in the FNMI off-reserve labour force in the fall of 2008, when the economic downturn began to impact Alberta; however, despite this setback, stronger numbers recorded earlier in the year led to an overall increase in the final result compared to previous years.

E&I influenced the FNMI off-reserve labour force by working to address issues related to labour force development, labour shortages, skills deficits, and labour force planning. This was achieved through the provision of a wide range of programs and services, and collaboration with industry, partners and other levels of government.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	64,000 (2004)	64,700 (2005)	68,000 (2006)	70,900 (2007)	72,800 (2008)	70,000	Yes

Source: Statistics Canada
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 1.c

Inter-provincial rank of labour force participation rate (#1 is the highest)

In 2008, the labour force participation rate for Alberta was 74.7 per cent, which ranked the highest in Canada and, as such, met the target for this performance measure. By comparison, the Canadian rate was 67.8 per cent for the same year, whereas the lowest provincial rate in the country was 59.5 per cent.

The labour force participation rate represents the percentage of the working-age population that is either employed or actively seeking employment (unemployed). The inter-provincial rank of labour force participation is an indicator of Alberta's effectiveness in addressing labour force needs, relative to that of other provinces. E&I contributed to this result by working to address issues related to labour force development, labour shortages, skills deficits, immigration, and labour force planning.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	#1 73.5% (2004)	#1 72.7% (2005)	#1 73.4% (2006)	#1 74.1% (2007)	#1 74.7% (2008)	#1	Yes

Source: Statistics Canada
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 1.d

Percentage of employers who reported no positions vacant for more than four months

The result for this measure is obtained biennially and will be available in 2009-10.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	*	*	n/a	75%	n/a**	n/a**	n/a**

Note: n/a Data collected biennially
* Not available.
** 2008-09 was not a scheduled year to administer the survey, therefore targets are not identified.
Source: Results compiled by external survey firm.
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

GOAL 2 Linked to Core Business 1 – Investing in Alberta's Labour Supply

Alberta is able to attract and retain workers to the province

Strategy 2.1

Promote access to employment opportunities by reducing or eliminating inter-provincial labour mobility barriers and ensure that professional and occupational associations are governed in a way that is transparent and accountable to the public.

E&I participated in the Pan-Canadian negotiation of amendments to enhance the labour mobility provisions of the Agreement on Internal Trade. This included working to identify barriers to full labour mobility, developing processes to reduce and eliminate barriers, and identifying situations where exceptions to full labour mobility are required to protect the Alberta public.

The Alberta Legislature approved amendments to the *Land Agent Licensing Act* to allow landowners to have whomever they wish to represent them in negotiations for the acquisition of interests in land.

Strategy 2.2

Continue to implement *Supporting Immigrants and Immigration to Alberta* by developing policies, programs and services to address the needs of immigrants and focus and strengthen Alberta's role in immigration.

The guide *Attracting and Retaining Immigrants: A Tool Box of Ideas for Smaller Centres* was distributed in partnership with Citizenship and Immigration Canada (CIC) to municipalities across the province. This national toolbox was designed as a starting point for smaller communities to create their own immigration and settlement strategies to attract, settle and retain immigrants.

E&I signed a Memorandum of Understanding with the Government of the Philippines that will help ease labour shortages and improve the flow of Filipino workers into the province.

E&I completed and released several publications for employers and those new to Alberta. This included expanding and publishing the book *Welcome to Alberta: Information for Newcomers*, which provides useful information about settling and living in Alberta.

E&I, in partnership with CIC, initiated a comprehensive review of settlement programs and services to ensure that current programs are effective, and to inform future program changes.

Strategy 2.3

Develop and implement a Foreign Qualification Recognition Plan for Alberta to strengthen, target and coordinate assessment and recognition of foreign-earned credentials, skills and work experience.

E&I released and began implementing a Foreign Qualification Recognition (FQR) Plan for Alberta to strengthen, target and coordinate assessment and recognition of foreign-earned credentials, skills and work experience. Developed through stakeholder consultations and involving several government ministries, the plan incorporates and recognizes the critical role of employers, educational institutions, professional regulatory organizations and immigrant-serving agencies in

integrating immigrants into the labour force. The plan helps clarify and shorten the path skilled immigrants take to join Alberta's workforce. Other highlights include:

- Developed criteria for the FQR Innovation Fund, and initiated the process of award funding.
- Engaged employers in identifying needs, tools and resources to support the integration of immigrants in the workplace.
- Enhanced stakeholder capacity to make informed decisions about foreign credentials through the development of International Education Guides and the provision of information workshops. International Educational Guides were completed for Colombia, India and Pakistan.

Strategy 2.4

Continue to expand the Provincial Nominee Program to support employers in meeting labour and skills shortages.

Note: the Provincial Nominee Program was renamed the Alberta Immigrant Nominee Program.

The target for the number of provincial nomination certificates issued under the Alberta Immigrant Nominee Program (AINP) was exceeded when 3,519 certificates were forwarded to the federal government, nominating 9,012 people for expedited processing of their permanent resident applications. An AINP Family Stream was launched June 19, 2008. The AINP Strategic Recruitment Stream was transitioned from a pilot project to a permanent AINP stream with three categories: Compulsory Trades, Engineering Occupations and U.S. Visa Holder.

The updated AINP section on the Immigrate to Alberta website (http://www.albertacanada.com/ainp) was the most visited of the site's sections, with over 400,000 page visits. Advertising was placed in trade publications, business magazines, ethno-cultural media, and student press, resulting in over 180,000 visits to the campaign pages on the website.

Strategy 2.5

Assist employers in attracting and retaining workers by marketing Alberta as a great place to live and work.

E&I was active in attracting potential workers to Alberta, and undertook innovative methods to market the benefits of moving to the province. Highlights for the fiscal year include:

- Alberta attracted 39,073 temporary foreign workers and 24,195 new immigrants for a total of 63,268 individuals at the end of 2008.
- Developed and released new marketing materials to support marketing activities in Canada, the United States, the United Kingdom, Germany, India, Korea, France, Poland and the Ukraine.
- Shared information with Alberta employers regarding effective recruitment and retention practices.
- Conducted advertising campaigns in the United States and the United Kingdom which promoted Alberta to foreign nationals, and in Canada which promoted the Alberta Immigrant Nominee Program to employers and international students.

Strategy 2.6

Assist foreign nationals and Canadians in accessing accurate and timely labour market information about Alberta and the processes to access employment opportunities, prior to coming to Alberta.

The Immigrate to Alberta website (http://www.albertacanada.com/immigration) received over two million visits, with close to 12 million pages viewed. Immigrants considering a new life in Alberta can access a number of useful resources to guide them through the immigration process before and after arriving in the province. This dynamic website provides a wealth of information via straightforward navigation, and serves as Alberta's official immigration website.

E&I continued to focus its labour attraction work in targeted markets overseas through career fairs, trade shows and recruitment initiatives. Successful international promotional missions were completed to India, Philippines, Germany, South Korea, China, the United States and the United Kingdom.

E&I continued to operate the Immigrate to Alberta Information Service, responding to over 45,850 calls. Over 12,860 immigration inquiries were received via email – an increase of 134 per cent from the previous fiscal year.

E&I produced new, sector-specific marketing materials for health professions, engineering, trades, information communications technology, police services, oil and gas industry, emergency services, and tourism and hospitality.

Strategy 2.7

Provide temporary foreign workers and their employers support to ensure they are aware of their workplace rights and responsibilities.

E&I established a Temporary Foreign Worker (TFW) Helpline and two TFW Advisory Offices to help workers learn about their rights and find solutions to situations involving unfair, unsafe or unhealthy working conditions. The Helpline served 3,235 clients, and the Advisory Offices served 5,586 clients. The Employment Standards Awareness Campaign, including *Temporary Foreign Workers Have Permanent Rights* advertising, focused on raising the awareness of TFWs, their employers, and employment agencies about TFW employment standards rights and remedies in Alberta.

Among other information resources that were updated, all versions of the *Temporary Foreign Worker's Guide* (in eleven languages) and the *Temporary Foreign Worker's Guide for Employers* were revised to better respond to the workplace information needs of TFWs (http://employment.alberta.ca/tfwguides). The publications help promote the message that TFWs have the same rights as any other workers and are protected under Alberta's employment standards, workplace health and safety, and workers' compensation legislation. In addition to publications, educational information sessions regarding these subjects were presented to temporary foreign workers.

In cooperation with the federal government, E&I served as the co-chair for the Canada-Alberta TFW Working Group, which is the primary mechanism to resolve emerging TFW issues.

Strategy 2.8

Ensure settlement services, bridging programs, credential assessment services and language training services effectively support the integration and retention of newcomers to Alberta.

Throughout the year, E&I offered services and provided programs to support immigrants to Alberta and assist in their transition to living and working in the province. Examples of the many activities include:

- The International Qualifications Assessment Service (IQAS) processed 22 per cent more assessment requests than the previous year, and responded to over 11,650 client and stakeholder telephone inquiries, and over 1,860 client walk-in inquiries.
- Conducted information sessions about international education credentials for approximately 100 representatives from post-secondary institutions and professional regulatory bodies, including the delivery of employer forums to develop and enhance foreign qualification recognition tools.
- Implemented eight settlement services pilot projects for Temporary Foreign Workers.
- 37 innovative English language training projects were underway at the end of the fiscal year, including the pilot of an English language training drop-in centre in Taber, and the creation of the *English in the Workplace* curriculum with employers.
- E&I offered an array of Immigrant Bridging Programs that help immigrants with prior experience or education bridge gaps in occupations such as accounting, engineering, teaching and pharmacy as well as increased opportunities for English language training.

Performance Measure 2.a

Number of Temporary Foreign Workers and new immigrants to Canada who choose Alberta as their destination

Alberta attracted 39,073 temporary foreign workers and 24,195 new immigrants for a total of 63,268 individuals at the end of 2008. This result exceeded the target and continued increasing over the prior year's results. E&I contributed to this result through international marketing and skilled labour missions. In addition to Alberta's efforts to attract and retain workers in the province, it is important to note that the Government of Canada is responsible for the processing of immigration applications, the final selection and admission of immigrants to Canada as well as for setting annual targets for national immigration levels.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	27,025 (2004)	32,083 (2005)	39,233 (2006)	50,217 (2007)	63,268 (2008)	48,000	Yes

Source: Citizenship and Immigration Canada
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 2.b

Alberta's ranking in net inter-provincial migration

Inter-provincial migration represents movement from one province or territory to another, involving a change in usual place of residence. This performance measure provides an indication of the number of Canadians who left their province or territory and came to Alberta. In 2008-09, Alberta ranked first in net inter-provincial migration when compared to other Canadian provinces

and territories. The difference in the number of Canadians who came to the province versus those who left was 20,616.

Alberta's economy played a crucial role in the attraction of workers from across the country. Over the past few years, thousands of new jobs have been created in the province with highly competitive wages and benefits. Despite the negative effects of the economic downturn mid-way through the 2008-09 fiscal year, a greater number of Canadians still migrated to the Western provinces than to the Eastern ones.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	#1 20,877 (2004)	#1 43,418 (2005)	#1 46,239 (2006)	#2 9,921 (2007)	#1 20,616 (2008)	#1	Yes

Source: Statistics Canada
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 2.c

Number of provincial nominations forwarded to the federal government

The objective of the Alberta Immigrant Nominee Program (AINP) is to attract and retain skilled workers from other countries for positions that cannot be filled by Albertans, other Canadians or permanent residents.

In 2008-09, AINP forwarded 3,519 provincial nominations to the federal government, which corresponds to 9,012 individuals (principal applicant and dependents). This result exceeded its target and represents a 112 per cent increase over the previous fiscal year. Several factors led to the increase in the number of nominations forwarded, which included E&I successfully developing targeted marketing plans to industry and foreign nationals. The addition of the AINP Family Stream and Strategic Recruitment Stream led to a greater number of people being eligible for nomination and greatly increased the number of applications to be processed.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	211	522	981	1,658	3,519	3,000	Yes

Source: Employment and Immigration
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 2.d

Percentage of International Qualifications Assessment Services clients who felt they received a fair assessment of their credentials

International Qualifications Assessment Services (IQAS) provides an educational assessment service which compares educational qualifications from other countries to provincial educational standards. In 2008-09, 88 per cent of IQAS clients felt they received a fair assessment of their credentials, surpassing the target. The result has steadily increased when compared to results from previous IQAS surveys.

E&I provides clients with detailed explanations on the methodology for coming to a decision on a client's credentials. A complete documentation package is provided to outline the details of the assessment. Another factor which may affect the outcome of this measure includes the quality and timeliness of service that clients receive from front-line IQAS staff.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	81%*	n/a	86%*	n/a	88%*	80%*	Yes

* Due to the IQAS Survey data collection time period, it was determined that the reporting years was to be changed. Please note, this differs from E&I's 2008-11 Business Plan.
Note: n/a Data collected biennially
Source: Survey sample data provided by Employment and Immigration to external survey firm. Results compiled by external survey firm.
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Core Business 2: Investing in the Skills and Independence of Albertans

GOAL 3 Linked to Core Business 2 – Investing in the Skills and Independence of Albertans

All Albertans share in and contribute to the economic prosperity of Alberta

Strategy 3.1

Lead the development of a social infrastructure framework to meet the needs of a growing economy and population.

The development of a social infrastructure framework was deferred as a number of cross-ministry and intergovernmental initiatives were based on a similar premise. Supporting these initiatives advanced the objective of ensuring that the social needs of a growing economy and population are met. Key initiatives were:

- In collaboration with government partners, E&I examined programs and services for Albertans to enhance the coordination, effectiveness and integration of delivery.
- E&I supported the planning and development of social infrastructure for the Oil Sands Strategy, releasing *Responsible Actions: A Plan for Alberta's Oil Sands* in February 2009.
- E&I was instrumental in ensuring that social themes such as emotional, physical, community and material well-being were reflected in the social and economic indicators to be used under the Land-use Framework.

Strategy 3.2

Develop and provide career and labour market information, programs and services to help Albertans develop skills, find and keep employment, manage their careers and adapt to the changing labour market.

The Canada-Alberta Labour Market Agreement (http://www.employment.alberta.ca/LMA) was signed with the federal government September 2008. It provides $315 million over six years to enhance and expand labour market training programs and services to address employers' needs for skilled workers and to help increase the participation of those under-represented in the labour force.

To discover ways to make Alberta's programs and services most effective, E&I organized and co-hosted a national conference for the Forum of Labour Market Ministers to examine best practices found in employment programs funded under Labour Market Development Agreements across Canada.

A number of E&I print resources on career, labour market and workplace topics were updated or reprinted. A new version of the Alberta Learning Information Service (ALIS) website (http://www.alis.alberta.ca) was launched in July 2008 and a subsequent evaluation found that overall user satisfaction was 97.6 per cent.

Labour Market Information Centre (LMIC) services and employment and training programs continued to connect Albertans to a wide array of resources and helped them adapt to the changing labour market. LMIC services built awareness of the opportunities available to individuals to access career information, counseling and services. Elapsed Time Digital Advertising screens were installed in many LMICs to promote employment options, employer resources and job fairs, as well as programs and resources for job seekers, career changers and career launchers.

Strategy 3.3

Co-lead Alberta's *Career Development Strategy: Connecting Learning and Work* with Advanced Education and Technology, and Education.

Connecting Learning and Work: Alberta's Commitment to Career Development was released in February 2009 to create stronger linkages between education and work, and provide more coordinated access to career and employment programs and services in an ever-changing labour market. *Connecting Learning and Work* demonstrates how provincial government departments, particularly Advanced Education and Technology, Education and E&I, are working together to support the career development of Albertans from kindergarten through grade 12, to post-secondary and in the workplace. E&I has developed several approaches for the delivery of career programs and services that are being implemented in 2009-10.

Strategy 3.4

Support Albertans in need, learners who are improving their skills through training and Albertans escaping family violence through the provision of income support.

E&I helped Albertans in need in a number of areas, including providing emergency benefits to Albertans escaping family violence, or facing homelessness and/or eviction. In doing so, the 24/7 emergency contact centre responded to 109,987 telephone and email requests. E&I worked to improve linkages with other organizations serving individuals on income support and implemented a policy for victims of human trafficking.

Strategy 3.5

Increase the financial independence and attachment to the labour market for Albertans by providing health benefits to children of Alberta families with lower incomes, and current and former income support recipients as well as providing child support services to help ensure non-custodial parents provide financial support to their children.

Working Albertans without health benefits can struggle to cover the costs of prescriptions and other health care costs necessary for them to stay healthy and active in the workforce. The qualifying income levels for Alberta Child Health Benefit and Alberta Adult Health Benefit were adjusted in August 2008 to reflect the rising cost of living. More Albertans experiencing low income were then able to qualify for these programs. E&I provided Adult Health Benefits to Albertans in over 5,420 households and Child Health Benefits for over 100,260 children.

E&I continued efforts to inform Albertans about child support services and benefits. To make it easier to ensure non-custodial parents provide child support for their children, and to provide services to as many eligible Albertans as possible, E&I piloted the use of web cameras to reduce the amount of travel required in obtaining the necessary information from all parties.

Strategy 3.6

Continue to support the delivery of programs and services to help prevent homelessness and eviction of Albertans with low incomes and support other initiatives related to affordable housing and shelter.

Edmonton and Calgary regions were active participants in their respective Project Homeless Connect initiative events, with three events in Calgary attracting more than 2,600 people who were homeless or marginally homeless. The events provided homeless people with access to medical services, mental health and addictions counseling, housing aid, obtaining identification documents, income support, employment opportunities, comfort kits containing personal items, hot meals, clothing and more.

Albertans receiving Alberta Works income support received higher monthly benefits. Higher shelter benefits helped low-income Albertans pay their rent and avoid eviction. In addition, single Albertans who were working and qualified for income support assistance had their earning exemptions double from $115 to $230 a month.

Strategy 3.7

Develop and implement approaches to foster ongoing collaboration between the government and the francophone community, and address priority issues.

E&I worked extensively with the francophone community on various projects, including:

- Supported the francophone community in hosting the 4th Canadian Francophone Games in Edmonton in August 2008.
- Through the FrancoJobs project in Fort McMurray, 2,397 francophone clients received employment supports and 82 translation/interpreter services were provided. From its opening in June 2008 to the end of the fiscal year, Connexion Carrière in Calgary served 6,379 clients. In Edmonton, Accès Emploi served 4,088 clients.
- Several Labour Market Information Centres offered services to the increasing francophone population.
- Participated in a one-day youth dialogue with Alberta francophone youth as part of efforts by the Ministerial Conference on the Canadian Francophonie (MCCF) to support a national Youth Action Strategy.
- Partnered to support the establishment of a francophone community youth centre in order to foster greater cultural awareness and belonging, develop leadership and employment skills, and reduce school drop-out rates among French-speaking youth newcomers in Brooks.
- Helped in securing funding for the expansion of La Cité Francophone in Edmonton and two new multi-use school-community centres in Lethbridge and Canmore.

Performance Measure 3.a

Percentage of participants in skills programs employed post-intervention

In 2008-09, 84 per cent of skills programs participants were employed three months after they left the program. This result exceeded the target and demonstrates government's success in helping Albertans attach to the labour force.

Higher education, work history and the economic climate can affect the employment outcomes of participants. E&I provided labour market employment and training programs to Albertans, including Work Foundations, Training for Work, Job Placement and Apprenticeship programs.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	*	83%	85%	84%	84%	80%**	Yes

* Not available.
** This target has been revised to 85% in E&I's 2009-12 Business Plan.
Source: Survey sample data provided by Employment and Immigration to external survey firm. Results compiled by external survey firm.
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 3.b

Percentage of participants in skills programs who indicate their training helped prepare them for future employment

E&I provides programs such as Work Foundations and Training for Work to help prepare Albertans to obtain and maintain employment. This measure identifies the extent to which participants believed E&I's programs and services contributed to their ability to get a job. In 2008-09, 76 per cent of program participants indicated that their training helped prepare them for future employment. The reason for the decrease in the result may be that certain program elements (Basic Skills Training and Academic Upgrading) also focus on preparing participants for further training rather than employment. Other factors that can affect the outcome of this measure include previous educational and/or work history of the participant, as well as the economic climate. In more difficult economic conditions, participants may be less likely to find future employment.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	*	*	81%	79%	76%	82%	No

* Not available.
Source: Survey sample data provided by Employment and Immigration to external survey firm. Results compiled by external survey firm.
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 3.c

Percentage of participants employed after leaving Income Support

In 2008-09, Income Support participants who left the program between April and August 2008 were surveyed three months after leaving the program. Out of these clients, 69 per cent were employed after leaving the program.

Labour market conditions, prior education and work experience can affect the employment outcomes of participants. Those who left the program without obtaining employment most likely entered new social relationships which provided support (marriage, cohabitation or another arrangement), or received support from other sources (Canada Pension Plan, Employment Insurance or disability-related income).

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	*	68%	59%	61%	69%	70%	No

* Not available.
Source: Survey sample data provided by Employment and Immigration to external survey firm. Results compiled by external survey firm.
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 3.d

Percentage of Child Support Services clients with potential for child support who have a support order or an agreement in place when the file closes

In 2008-09, 78 per cent of Child Support Services' clients with potential for child support had a support order or an agreement in place when their file closed. This result slightly missed the target of 80 per cent but increased for a second consecutive year. E&I staff continue striving to reach this target.

Child Support Services helped single parents and parents in blended families negotiate child support agreements or obtain court orders from non-custodial parents. Based on non-custodial parents' financial circumstances, E&I ensured the amount of child support is appropriate according to the Alberta Child Support Guidelines. Where appropriate, E&I ensured that support agreements were enforceable by the Alberta Justice Maintenance Enforcement Program. Income from child support agreements or court orders contributed to the financial independence of the client.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	78%	78%	73%	77%	78%	80%	No

Source: Employment and Immigration
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 3.e

Percentage of Alberta Child Health Benefit parents who agree they are able to obtain health services they would not otherwise have been able to get for their children

Of all Alberta Child Health Benefit (ACHB) parents surveyed in 2008-09, 93 per cent agreed that they were able to obtain health services they would not otherwise have been able to get for their children. The result exceeded the target of 90 per cent and reflects parents' high satisfaction level with the effectiveness of the ACHB program.

The ACHB provides coverage for prescription drugs, eyeglasses, dental care, emergency ambulance services and essential diabetic supplies. This program is designed to help reduce the depth of child poverty, improve standards of living for parents with children under 18, and promote parents' attachment to the workforce. E&I promotes maximum accessibility to this program through a partnership with Canada Revenue Agency, which previously mailed over 55,000 ACHB applications and program information packages.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	88%	n/a	91%	n/a	93%	90%	Yes

n/a – Survey conducted every two years.
Source: Survey sample data provided by Employment and Immigration to external survey firm. Results compiled by external survey firm.
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Core Business 3: Investing in Alberta's Workplaces

GOAL 4 Linked to Core Business 3 – Investing in Alberta's Workplaces

Alberta has a fair, safe and healthy work environment

Strategy 4.1

Continue to review workplace programs and associated legislation on an ongoing basis so workers and employers have the tools they need to respond to changes in the workplace and maintain fair, safe and healthy work environments.

E&I led the development of Bill 1, *Employment Standards (Reservist Leave) Amendment Act, 2009* to provide unpaid job protection to reservists while they are serving their country.

E&I amended the *Employment Standards Regulation* to implement a provincial minimum wage increase to $8.80 per hour, based on changes in Alberta's average weekly earnings. The work of preparing this regulation was completed in the 2008-09 fiscal year, and will continue during the upcoming fiscal year.

E&I led the development of Bill 26, *Labour Relations Amendment Act, 2008* and the *Market Enhancement Recovery Fund Distribution Regulation.*

E&I developed the *Regional Health Authority Collective Bargaining Amendment Regulation*, which addresses labour relations matters associated with the transition to a single, province-wide health authority.

E&I led the review of the *Occupational Health and Safety Code*, which holds the health and safety rules of the workplace. The review was completed in the 2008-09 fiscal year. The Occupational Health and Safety Council supported the proposed changes and recommended that the Minister enact the *Occupational Health and Safety Code 2009.*

Strategy 4.2

Support Alberta's workplaces to resolve management and union disputes and relationship issues effectively by providing mediation, arbitration and facilitation services.

E&I staff members met with major employer and union representatives to build effective working relationships, maintain up-to-date collective bargaining information and conduct environmental scanning. Mediation Services appointed mediators to 80 disputes, received 208 requests for the appointment of an arbitrator and made 184 appointments.

E&I provided legislative support and advice regarding various workplace issues including the appointment of mediators, the establishment of Dispute Inquiry Boards and the Construction Industry Dispute Resolution Tribunals.

Strategy 4.3

Implement approaches to enhance compliance with employment standards and workplace health and safety.

In 2008, record penalties were imposed for workplace health and safety infractions. Penalties totaled over $5 million against 22 companies, surpassing the 2007 total of $1.72 million against 12 companies. The percentage of penalties collected as alternate sentences also increased. In 2007, 74 per cent of penalties were paid to safety organizations to provide training or to organizations that assist injured workers. In 2008, more than 88 per cent of the fines, nearly $4.5 million, were collected as alternate sentences.

Strategy 4.4

Continue to build upon the success of the Work Safe Alberta initiative and implement new approaches to further reduce work-related injury and disease, especially among inexperienced workers and students.

E&I developed and implemented the 2008 Workplace Health and Safety Public Awareness/Social Marketing campaign to influence attitudes and behaviours toward workplace health and safety, particularly in high-risk worker groups and industries. To help raise workplace safety awareness among young workers, an online campaign was launched at www.bloodylucky.ca.

The Occupational Health and Safety Council recognized 697 Alberta employers who had exceptional 2007 records in workplace health and safety with Alberta's Best Safety Performers awards. These awards are presented to companies in Alberta that make health and safety a high priority, and have the performance records to prove it.

Strategy 4.5

Develop and provide employers and workers with access to workplace health and safety and employment standards information, especially workers new to Alberta's workplaces.

Health and Safety/Employment Standards kiosks were made available in selected Labour Market Information Centres throughout the province. The kiosks offer direct phone lines to information serving both employees and employers. The Workplace Health & Safety Contact Centre responded to over 23,200 enquiries, while the Employment Standards Contact Centre responded to over 134,800 enquiries.

E&I developed multi-language and multi-literacy-level resources about workplace health and safety and employment standards for new workers. The *Basics of Employment Standards* eLearning course, which focuses on the requirements of the *Employment Standards Code*, was developed and posted online. New resources were produced for employers, including *An Employer's Guide to Employment Rules* (http://www.employment.alberta.ca/espublications). E&I also continued to develop relationships with partners in industry sectors, and provided information to employers through trade shows, workshops and presentations.

Performance Measure 4.a

Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout)

In 2008-09, 99 per cent of collective bargaining agreements were settled without a work stoppage, meeting the established target. This occurred despite an environment of rapidly changing economic conditions. E&I contributed towards the result of this performance measure by providing expertise and third-party impartial support to labour and management in resolving collective bargaining disputes, promoting innovative practices, promoting alternative dispute resolution, and developing revisions to the labour relations framework when necessary.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	99%	98%	99%	98%	99%	98%	Yes

Source: Employment and Immigration
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 4.b

Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards

In 2008-09, 97 per cent of Alberta employers' employment practices resulted in no complaints being registered with Employment Standards, achieving the desired target. The result is consistent with prior years' achievements.

This past year, the number of employment standards complaints registered against Alberta employers increased, and so did the number of Alberta employers covered under the *Employment Standards Code*. As a proactive step against employment standards violations, E&I established partnerships, provided education programs, targeted businesses with poor compliance histories, and coordinated strategies to improve compliance. E&I also used awareness campaigns to increase knowledge of minimum employment standards for both employers and employees.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	98%	98%	98%	98%	97%	97%	Yes

Source: Statistics Canada and Employment and Immigration
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 4.c

Lost-Time Claim Rate: number of lost-time claims per 100 person-years worked

In 2008, the provincial lost-time claim rate was 1.88, missing its target of 1.70. However, it is important to note that this is the eighth straight year of improvement in the lost-time claim rate. There were fewer workplace injuries in Alberta in 2008, which combined with a growing workforce, resulted in a record low lost-time claim rate.

E&I continued to build upon the success of the Work Safe Alberta initiative, and implemented new approaches to further promote, educate and increase the awareness of Albertans on workplace health and safety issues.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Reviewed by Auditor General	2.54 (2004)	2.41 (2005)	2.35 (2006)	2.12 (2007)	1.88 (2008)	1.70	No

Source: Workers' Compensation Board – Alberta and Employment and Immigration
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 4.d

Disabling Injury Rate: number of disabling injury claims per 100 person-years worked

In 2008, the disabling injury rate was 3.63. A disabling injury combines both the lost-time and modified-work concepts to produce an overall figure where an occupational injury or disease disables the worker causing either time-lost from work or for their normal work duties to be modified. Similar to the lost-time claim rate, there were fewer disabling injuries in Alberta in 2008. This reduction in injuries, combined with a growing workforce, resulted in a lower Disabling Injury Rate compared to the last two years. As E&I continues to promote, educate and inform Albertans on workplace health and safety issues, the Disabling Injury Rate should continue its downward trend.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	4.00 (2004)	4.02 (2005)	4.14 (2006)	3.88 (2007)	3.63 (2008)	3.50	No

Source: Workers' Compensation Board – Alberta and Employment and Immigration
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Detailed Program Results Analysis and Discussion

The Alberta Labour Relations Board (ALRB) is an independent and impartial administrative tribunal, responsible for the day-to-day application and interpretation of Alberta's labour laws. The Board processes applications and frequently conducts hearings on matters arising from both private and public employment sectors. Some, but not all, of the issues that come before the Alberta Labour Relations Board include certifications, revocations, various votes, bargaining unit determinations and unfair labour practices which fall under the *Labour Relations Code*, *Public Service Employee Relations Act* and *Police Officers Collective Bargaining Act*.

GOAL 5 Linked to Core Business 3 – Investing in Alberta's Workplaces

Alberta has a fair, equitable and stable labour relations environment

Strategy 5.1

Provide timely, effective and efficient services to the Alberta labour relations community.

The ALRB continued to book hearing dates as soon as possible once applications had been received. Labour Relations Officers and Management used reports from the ALRB's extensive case management system to monitor the timeliness of its processes and to re-direct resources to those files that required them.

Strategy 5.2

Promote use of Alternative Dispute Resolution methods to solve issues before reaching formal hearings.

All Labour Relations Officers and Adjudicators continued to obtain training in the use of Alternative Dispute Resolution methods through a combination of regular academic course work and observing the methods used by the ALRB's senior officer staff. The Resolution Conference initiative continues to provide settlement opportunities for the parties using the ALRB's adjudicative staff.

Strategy 5.3

Render clear and timely decisions for the parties.

ALRB adjudicators continued to use management reports that identify potentially late decisions, and to allocate resources to those cases. Case loads often determine the amount of time that adjudicators commit to writing versus hearing and this is often a major factor in meeting performance measures.

Performance Measure 5.a

Average number of days from the acceptance of an application to the date of the first hearing

Of the 369 matters that came before the Board in the reporting period, five were related to files that had been open over 1,400 days due to the parties awaiting a decision from the Courts before continuing their applications (the court decision was rendered and the Board held its first hearing

on these matters on January 26, 2009). Decisions of the Courts are not under the control of the Board and these matters have significantly impacted this year's target. If these five matters are taken out of the data, the average number of days goes from 86 to 66 days, below our target of 70.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	78	75	67	44	86	70	No

Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 5.b

Percentage of applications, with Board involvement, settled before reaching a formal hearing

A reduced caseload (1,181 matters 2007-08, 724 matters 2008-09) allowed for greater mediation efforts to be assigned to individual cases. The use of these extra resources contributed to the Board realizing a result 10 percentage points higher than the target set.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	79%	73%	65%	56%	67%	57%	Yes

Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 5.c

Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s)

Fewer hearings in 2008-09 allowed adjudicators to focus on the writing aspects of the process, thus enabling the Board to exceed its target by three percentage points.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	76%	62%	80%	96%	88%	85%	Yes

Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 5.d

Percentage of decisions rendered within 180 calendar days from the completion of the hearing(s)

Fewer hearings in 2008-09 allowed adjudicators to focus on the writing aspects of the process, thus enabling the Board to meet its target.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	95%	88%	88%	95%	100%	100%	Yes

Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Detailed Program Results Analysis and Discussion

Having an independent and impartial body to hear appeals of decisions made by the Workers' Compensation Board – Alberta is essential. This final level of appeal is important for workers, employers and the Workers' Compensation Board – Alberta as well. The fair and consistent application of legislation, policy and principles of natural justice is required to ensure solid, defendable decisions.

GOAL 6 Linked to Core Business 3 – Investing in Alberta's Workplaces

Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

Strategy 6.1

Provide a timely appeal service.

The Appeals Commission continued to book hearings as soon as possible, and ensured that unnecessary delays were addressed so that parties were prepared to proceed through the steps required to process an appeal.

Strategy 6.2

Provide fair decisions on appeal applications.

The Appeals Commission, an independent and impartial body, ensured solid, defendable decisions by the consistent application of legislation, policy and the principles of natural justice.

Performance Measure 6.a

Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized (Standard and Complex Appeals)

In 2007-08 the Commission addressed numerous outstanding appeals that had been in an adjourned status for long periods of time. Appeals were either moved forward in processing or were subject to dismissal. Refined methods of tracking hearing dates were also introduced. These changes had the most impact in 2007-08 when the largest number of dismissals were completed but had less impact for 2008-09.

		2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	• Standard Appeals	213	214	172	144	172	145	No
	• Complex Appeals	234	276	225	182	212	210	No

* Standard Appeals are those appeals with two or less straightforward issues that require normal preparation, decision-making and decision writing. Complex Appeals encompass matters with complicated medical/adjudicative and unique legal arguments (usually three or more).

Source: Appeals Commission Appeals Management System (AMS)

Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Performance Measure 6.b

Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration

In the past fiscal year, 98.1 per cent of the decisions issued were either not challenged, or if they were, they were upheld upon review by the Courts, the Ombudsman or the Appeals Commission. The Commission continues to enhance competency based recruitment and is revamping a performance management system which includes quality.

	2004-05	2005-06	2006-07	2007-08	2008-09	Target	Met Target
Not Reviewed by Auditor General	99.5%	98.3%	98.0%	95.9%	98.1%	Greater than 98.0%	Yes

Source: Appeals Commission Appeals Management System (AMS)
Note: For additional information see Performance Measures Sources and Methodologies – Appendix D.

Employment and Immigration

Financial Information

- Ministry Financial Analysis and Discussion
- Ministry Financial Statements
- Workers' Compensation Board – Alberta Financial Statements

Ministry Financial Analysis and Discussion

This section includes financial results and performance by major program area and discussion of the financial results and performance.

ACCOUNTABILITY

Financial results of the Ministry of Employment and Immigration for the year ended March 31, 2009 include the activities of the Alberta Labour Relations Board, the Appeals Commission for Alberta Workers' Compensation and the Department of Employment and Immigration. An analysis of Ministry expenses by core business and function can be found in the Integrated Results Analysis (pages 24-26). More detailed information can be found in the Ministry's financial statements beginning on page 57.

Financial Results

(in thousands)

	2009				2008
	2008-09 Budget	Authorized Supplementary[a]	Authorized Budget	Actual	Actual
Revenue					
Transfer from the Government of Canada	$ 296,160		$ 296,160	$ 285,951	$ 226,649
Internal Government Transfers	11,987		11,987	11,987	12,769
Fees, Permits and Licences	564		564	723	719
Other Revenue	35,280		35,280	33,609	37,850
	343,991	-	343,991	332,270	277,987
Expenses					
Voted:					
Ministry Support Services	22,004		22,004	22,141	21,561
Employment	707,964	72,667	780,631	795,535	694,449
Labour Standards and Workplace Safety	37,492	(810)	36,682	38,389	33,539
Immigration	84,928	(10,887)	74,041	60,491	52,078
Health Workforce Development	48,500	(4,424)	44,076	39,754	29,969
Federal Community Development Trust	5,000		5,000	4,726	-
Labour Relations Board	3,147		3,147	3,154	3,292
Workers' Compensation Appeals	10,162	(1,085)	9,077	8,486	8,447
Program Operating Expenses	919,197	55,461	974,658	972,676	843,335
Program Capital Investment	6,445		6,445	5,796	4,064
Voted Expenses and Capital Investments	925,642	55,461	981,103	978,472	847,399
Statutory Expenses:					
Valuation Adjustments	775	-	775	2,338	1,542
	926,417	55,461	981,878	980,810	848,941
Net Operating and Capital Results	$ (582,426)	$ (55,461)	$ (637,887)	$ (648,540)	$ (570,954)

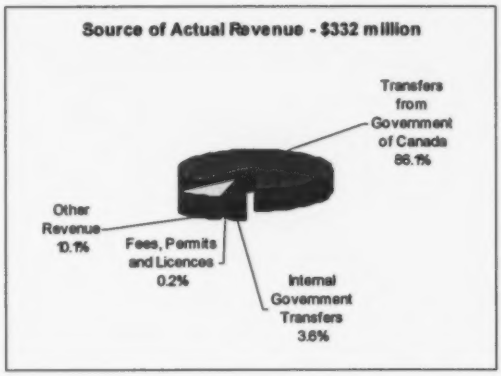
[a] Supplementary estimates received Royal Assent on December 4, 2008 and March 23, 2009.

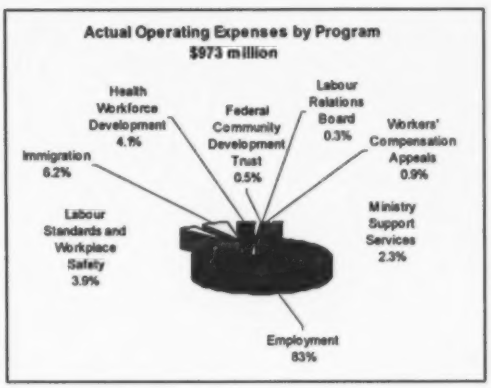
Discussion of Financial Results and Performance

The Ministry of Employment and Immigration balanced its 2008-09 authorized voted expenses and capital expenditures budget. As reported in the 2008-09 Government of Alberta Annual Report, the Ministry ended the year spending $972.7 million on employment and immigration programs.

Revenues

The Ministry's 2008-09 revenues were $332.0 million, approximately $54.3 million higher than the previous year. The increase is primarily the result of an increase of $22.2 million in the Government of Canada Social Transfer and new federal Labour Market Agreement and Community Development Trust funding of $34.9 million.


Source of Actual Revenue - $332 million
Transfers from Government of Canada 86.1%
Other Revenue 10.1%
Fees, Permits and Licences 0.2%
Internal Government Transfers 3.6%



Expenses

The Ministry's overall annual spending increase of $129.3 million from 2007-08 is the result of 2008-09 spending increases of $101.0 million in Employment programs, primarily in the areas of Income Support, Health Benefits and Career Development Services. There was also an increase in spending of $9.8 million in Health Workforce Development initiatives, $8.4 million in Immigration programs and services and $4.9 million in Labour Standards and Workplace Safety activities. New spending of $4.7 million was seen with the introduction of Community Development Trust initiatives.

Program Comparison of 2008-09 Authorized Budget to Actuals

Following are explanations of the major program variances.

Employment – Employment programs assist Albertans in acquiring the knowledge and skills they need to identify and participate in future training and employment opportunities, and in becoming self-reliant and contributing members of society. These programs also support Albertans by providing health benefits, child support services and financial assistance so that they can improve their skills and employability, and be as independent as possible. In 2008-09, Employment program spending exceeded authorized budgeted spending by $14.9 million.

- **Career Development Services** – Higher than anticipated utilization of job placement and career assistance services resulted in over expenditures of $9.2 million.

- **Disability Related Employment Supports** – An increase in utilization of services to Albertans with disabilities resulted in over expenditures of $1.0 million.

- **Training for Work** – Decreased enrolment in integrated and occupational training programs resulted in under expenditures of $7.0 million.

- **Workforce Partnerships** – Lower than anticipated utilization of workforce attraction and retention programs and a delay in the implementation of the Workplace Literacy and Essential Skills program resulted in under expenditures of $2.8 million.

- **Income Supports** – Funds are invested to provide benefits to individuals and their families when earnings are insufficient to provide for basic necessities, if they are temporarily unavailable for employment or training programs, when they are attending training programs or when they are unable to work due to persistent health problems or multiple barriers to employment. Spending was $7.5 million higher than budgeted due to higher than anticipated caseloads. Supplemental funding was allocated to Income Supports programs in the 2008-09 fiscal year to help offset caseload pressures.

- **Health Benefits** – Premium free coverage is provided for children in families with lower incomes and for adults receiving income supports. Coverage is also offered to former Expected to Work and Not Expected to Work Income Support clients who leave the program for employment. Clients who leave the Assured Income for the Severely Handicapped program for employment or who receive Canada Pension Plan - Disability income are also eligible. In 2008-09, the expenses in this area were $0.8 million lower than budgeted.

Program Support – Higher than budgeted manpower costs due to negotiated salary settlements and an increase in operating expenses resulted in additional program support spending of $8.7 million.

Labour Standards and Workplace Safety – The program promotes fair, safe, healthy and productive workplaces through developing positive labour-management relationships, regulating employment standards and practices, and communicating with employers and employees. The proactive measures the Ministry undertook to deliver services to temporary foreign workers

through two advisory offices, as well as the investigations and inspections dealt with by employment standards officers for these workers, resulted in over-expenditures of $1.8 million.

Immigration – Immigration programs are designed to attract and retain immigrants and support their successful transition into Alberta's economic, social and cultural life. Lower than anticipated utilization of immigrant related training programs and a delay in the implementation of the Foreign Qualification Recognition Plan resulted in program expenses that were $13.5 million less than budgeted expenses.

Health Workforce Development – Program expenditures of $40.0 million helped address ten strategies under the Health Workforce Action Plan. Deferral of some activities to 2009-10 resulted in spending that was $4.3 million less than budgeted.

Community Development Trust – Community Development Trust funding is used to assist communities in transition in areas such as job training and skills development, community planning and capacity building, economic diversification and infrastructure initiatives. Community Development Trust spending of $4.7 million in 2008-09 was primarily in aboriginal economic development and initiatives related to workplace and sectoral productivity.

Workers' Compensation Appeals – Costs were in line with the $9.1 million budgeted for this program.

Capital Investments – Spending related to the continued/ongoing development of the Alberta Works Enterprise System brought total capital investments to $5.8 million in 2008-09.

Statutory Expenses – Valuation adjustments, such as provision for doubtful accounts, vacation pay liability, provision for reduction of investments to market, and obligations under guarantees that do not represent payments of public money.

- The provision for vacation pay had an increased adjustment of $1.6 million due to a higher than budgeted accrued vacation pay liability.

Ministry Financial Statements

For the year ended March 31, 2009

- Auditor General's Report on Ministry Financial Statements
- Statement of Operations
- Statement of Financial Position
- Statement of Cash Flows
- Notes to the Ministry Financial Statements
- Schedule 1 – Revenues
- Schedule 2 – Dedicated Revenue Initiatives
- Schedule 3 – Expense Directly Incurred – Detailed by Object
- Schedule 4 – Budget
- Schedule 5 – Comparison of Expenses – Directly Incurred and Capital Investments by Element to Authorized Budget
- Schedule 6 – Salary and Benefits Disclosure
- Schedule 7 – Related Party Transactions
- Schedule 8 – Allocated Costs
- Statement of Remissions, Compromises and Write-Offs

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Employment and Immigration as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Fred J. Dunn]

FCA

Auditor General

Edmonton, Alberta

June 12, 2009

Statement of Operations

For the year ended March 31, 2009

(in thousands)

	2009 Budget (Schedule 4)	2009 Actual	2008 Actual Restated (Note 3)
Revenue (Schedule 1)			
Transfers from Government of Canada	$ 296,160	$ 285,951	$ 226,649
Internal Government Transfers	11,987	11,987	12,769
Fees, Permits and Licences	564	723	719
Other Revenue	35,280	33,609	37,850
	343,991	332,270	277,987
Expenses Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	22,004	22,141	21,561
Employment	708,661	795,535	694,449
Labour Standards and Workplace Safety	37,492	38,389	33,539
Immigration	84,928	60,491	52,078
Health Workforce Development	48,500	39,754	29,969
Federal Community Development Trust	5,000	4,726	-
Labour Relations Board	3,147	3,154	3,292
Workers' Compensation Appeals	10,162	8,486	8,447
	919,894	972,676	843,335
Statutory (Schedules 3 and 5)			
Valuation adjustments (Note 6)			
Provision for Vacation Pay and Doubtful Accounts	24	2,338	1,542
	919,918	975,014	844,877
Net Operating Results	$ (575,927)	$ (642,744)	$ (566,890)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2009

	(in thousands) 2009	2008 Restated (Note 3)
Assets		
Cash	$ 27	$ 615
Accounts Receivable (Note 4)	9,861	5,607
Advances (Note 5)	5,040	5,155
Tangible Capital Assets (Note 7)	21,638	17,595
	$ 36,566	$ 28,972
Liabilities		
Accounts Payable and Accrued Liabilities	$ 103,686	$ 85,128
	103,686	85,128
Net Liabilities		
Net Liabilities at Beginning of Year	(56,156)	(52,364)
Net Operating Results	(642,744)	(566,890)
Net Financing Provided from General Revenues	631,780	563,098
Net Liabilities at End of Year	(67,120)	(56,156)
	$ 36,566	$ 28,972

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

For the year ended March 31, 2009

	(in thousands) 2009	2008 Restated (Note 3)
Operating Transactions		
Net Operating Results	$ (642,744)	$ (566,890)
Non-cash items included in Net Operating Results		
Amortization (Schedule 3)	1,753	1,989
Valuation Adjustments	2,338	1,542
	(638,653)	(563,359)
Increase in Accounts Receivable [a]	(4,226)	(237)
Decrease in Advances	115	3
Increase in Accounts Payable [b]	16,192	1,256
Cash Applied to Operating Transactions	(626,572)	(562,337)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(5,796)	(4,064)
Cash Applied to Capital Transactions	(5,796)	(4,064)
Financing Transactions		
Net Financing Provided from General Revenues	631,780	563,098
Cash Provided by Financing Transactions	631,780	563,098
Decrease in Cash	(588)	(3,303)
Cash, Beginning of Year	615	3,918
Cash, End of Year	$ 27	$ 615

[a] Adjusted for provision for doubtful accounts.
[b] Adjusted for provision for vacation pay.

The accompanying notes and schedules are part of these financial statements.

Notes to the Ministry Financial Statements

For the year ended March 31, 2009

Note 1 Authority and Purpose

The Ministry of Employment and Immigration operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry of Employment and Immigration contributes to the Government of Alberta's priorities by working with partners to ensure:

- Alberta will have a prosperous economy,
- Albertans will be prepared for lifelong learning,
- Albertans will be healthy,
- Albertans will be independent and that our children will be well cared for,
- Alberta will be a safe place to live, work and raise families, and
- Alberta will have strong and effective municipalities and self-reliant Aboriginal communities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (PSAB). The PSAB financial statement presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

(a) Reporting Entity

The reporting entity is the Ministry of Employment and Immigration for which the Minister of Employment and Immigration is accountable. The Ministry's Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of the Ministry are deposited into the Fund and all cash disbursements made by the Ministry are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

REVENUES

All revenues are reported using the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government transfers are transfers between entities within the Government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Transfers from the Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual dedicated revenues exceed budget, the Department may, with the approval of Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

EXPENSES

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.
In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets
- pension costs which comprise the cost of employer contributions for current service of employees during the year
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, and long-term disability.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

ASSETS

Financial assets of the Ministry are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

LIABILITIES

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

NET LIABILITIES

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

MEASUREMENT UNCERTAINTY

Measurement uncertainty exists when there is a significant variance between the amount recognized and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Measurement uncertainty also exists for outstanding tuition fee recoveries originally expensed in the Ministry's employment programs. Tuition fee recoveries are recorded in the year received. The amount of any outstanding recoveries cannot be reasonably estimated.

VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their book values.

Note 3 Government Reorganization

(in thousands)

As a result of the government restructuring announced on March 13, 2008, the Department of Employment and Immigration was created.

The 2008 figures are presented as if the Department of Employment and Immigration had existed on April 1, 2007 and throughout the two-year period covered by these financial statements. The opening net assets at April 1, 2008 represent transfers from the Department of Employment, Immigration and Industry.

Net liabilities as previously reported	$ 58,625
Transfer of Northern Alberta Development Council to Finance and Enterprise	(434)
Transfer to Ministry of Agriculture and Rural Development	(289)
Transfer to Ministry of Finance and Enterprise	(1,649)
Transfer to Ministry of Children and Youth Services	(33)
Transfer to Ministry of International and Intergovernmental Relations	(25)
Transfer from Ministry of Tourism, Parks and Recreation	(39)
Net liabilities at March 31, 2008	$ 56,156

Note 4 Accounts Receivable

(in thousands)

	2009			2008 restated
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$ 9,728	$ (172)	$ 9,556	$ 5,342
Refunds from suppliers	305	-	305	265
	$ 10,033	$ (172)	$ 9,861	$ 5,607

Accounts receivable are unsecured and non-interest bearing.

Note 5 Advances
(in thousands)

	2009	2008
Travel advances	$ -	$ 25
Program advances	5,040	5,130
	$ 5,040	$ 5,155

Travel advances are provided to Ministry employees to cover the cost of business travel. Program advances are for emergent benefits for clients.

Note 6 Valuation Adjustments
(in thousands)

	2009	2008 restated
Provision for doubtful accounts	$ (28)	$ 1
Provision for vacation pay	2,366	1,541
	$ 2,338	$ 1,542

Note 7 Tangible Capital Assets
(in thousands)

	Equipment	Systems Development and Enhancements	2009 Total	2008 restated Total
Estimated Useful Life	3 to 5 years	5 to 7 years		
Historical Cost[a]				
Beginning of year	$ 667	$ 39,841	$ 40,508	$ 36,554
Additions	360	5,436	5,796	4,064
Disposals	(125)	(1,239)	(1,364)	(110)
	902	44,038	44,940	40,508
Accumulated Amortization				
Beginning of year	566	22,347	22,913	21,025
Amortization expense	73	1,680	1,753	1,989
Disposals	(125)	(1,239)	(1,364)	(101)
	514	22,788	23,302	22,913
Net Book Value at March 31, 2009	$ 388	$ 21,250	$ 21,638	
Net Book Value at March 31, 2008	$ 101	$ 17,494		$ 17,595

[a] Historical cost includes work-in-progress at March 31, 2009 totaling $18,466 and is comprised of systems development and enhancements (2008 - $13,030).

Note 8 Contractual Obligations
(in thousands)

At March 31, 2009, the Ministry has the following contractual obligations:

	2009	2008
Service Contracts	$ 42,493	$ 41,632
Long-Term Leases	207	724
	$ 42,700	$ 42,356

The aggregate amounts payable for the unexpired terms of the contractual obligations are as follows:

	Service Contracts	Long-term Leases
2010	$21,415	$167
2011	14,572	40
2012	3,237	-
2013	3,269	-
	$42,493	$207

Note 9 Contingent Liabilities

At March 31, 2009 the Ministry is a defendant in 11 legal claims (2008 – 12 claims). These claims have specified amounts totaling $23.7 million (2008 – $19.4 million). Eight claims amounting to $17.5 million are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 10 Funds Under Administration
(in thousands)

The Ministry administers two trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

At March 31, 2009 trust funds under administration were as follows:

	2009			2008
	Total Assets	Total Liabilities	Net Assets	Net Assets
Temporary Foreign Worker Trust Fund	$ 3,172	$ -	$ 3,172	$ -
Employment Standards Trust Fund	786	-	786	471
	$ 3,958	$ -	$ 3,958	$ 471

Note 11 Defined Benefit Plans
(in thousands)

Multi-Employer Pension Plans
The Ministry participates in the following multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $13,470 for the year ending March 31, 2009 (2008 – $13,228).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 – $84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 – $92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 (2007 – surplus $1,510).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009 the Bargaining Unit Plan reported an actuarial deficiency of $33,540 (2008 – $6,319) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $1,051 (2008 – actuarial surplus of $7,874). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 12 Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

Note 13 Approval of Financial Statements

These financial statements were approved by the Deputy Minister and the Chief Financial Officer.

Schedule 1

Revenues

For the year ended March 31, 2009

(in thousands)

	2009		2008
	Budget	Actual	Actual Restated (Note 3)
Transfers from the Government of Canada			
Canada Social Transfer	$ 92,917	$ 101,353	$ 79,144
Labour Market Development Agreement Benefits	168,343	146,905	117,029
Rehabilitation of Disabled Persons	25,190	25,190	25,190
Canadian Agriculture Skills Services	-	2,327	3,769
Federal Community Development Trust	5,000	5,000	-
Services to On-Reserve Status Indians	380	290	147
Francophone Initiatives	4,330	4,330	-
Other transfers	-	556	1,370
	296,160	285,951	226,649
Internal Government Transfers			
Transfer from Lottery Fund	11,987	11,987	12,769
Fees, Permits and Licences			
Various	564	723	719
	12,551	12,710	13,488
Other Revenue			
Refunds of Previous Year Expenditures	3,100	2,977	7,739
Workers' Compensation Appeals	10,162	8,486	8,448
Occupational Health and Safety Transfer	20,900	21,750	20,900
Other	1,118	396	763
	35,280	33,609	37,850
	$ 343,991	$ 332,270	$ 277,987

Schedule 2

Dedicated Revenue Initiatives

For the year ended March 31, 2009

	(in thousands) 2009		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	Excess
Expenses by Program			
Workplace Health and Safety [a]	$ 21,750	$ 21,750	-
Canadian Agricultural Skills Service [b]	1,300	2,327	1,027
Francophone Secretariat [c]	650	650	-
Canada-Alberta Co-operation Agreement (Francophone Initiatives) [d]	3,680	3,680	-
Total Dedicated Revenue	$ 27,380	$ 28,407	$ 1,027

The revenue and expense related to the dedicated revenue initiatives are included in the Ministry's revenue and expense in the statement of operations. Shortfall, if any, is deducted from the current year's budget, as disclosed in Schedules 4 and 5 to the financial statements.

[a] Workplace Health and Safety Regional Services dedicated revenue, under the agreement with the Workers' Compensation Board, is for the purpose of defraying part of the costs of administering the *Occupational Health and Safety Act*.

[b] Treasury Board Minute No. 5/2009 approved recovery for defraying costs of administering the Canadian Agricultural Skills Service program.

[c & d] The Government of Canada provided funding to the Francophone Secretariat under the Canada-Alberta Cooperation Agreement to promote the official languages, and for the expansion of the La Cité Francophone Centre.

Schedule 3

Expense Directly Incurred – Detailed by Object

For the year ended March 31, 2009

(in thousands)

	2009 Budget	2009 Actual	2008 Actual Restated (Note3)
Voted			
Salaries, Wages and Employee Benefits	$ 163,319	$ 171,039	$ 157,985
Supplies and Services	155,118	160,106	139,908
Supplies and Services from Shared Service Support Arrangements with Related Parties [a]	4,195	3,005	2,913
Grants	595,216	638,240	541,956
Financial Transactions and Other	71	111	93
Amortization of Tangible Capital Assets	3,438	1,753	1,989
Total Voted Expenses Before Recoveries	921,357	974,254	844,844
Less Recovery from Shared Service Support Arrangements with Related Parties [b]	(1,463)	(1,578)	(1,509)
	$ 919,894	$ 972,676	$ 843,335
Statutory			
Valuation Adjustments (Note 6)			
Provision for Vacation Pay and Doubtful Accounts	$ 24	$ 2,338	$ 1,542

[a] The Ministry purchases financial and administrative support services from the Ministries of Education, Advanced Education and Technology, Justice and Attorney General and Seniors and Community Supports.

[b] The Ministry provides human resources, information technology, financial and other administrative support services to the Ministries of Children and Youth Services, Advanced Education and Technology, Seniors and Community Supports and Service Alberta. Costs incurred for these services are recovered from these ministries.

Schedule 4

Budget

For the year ended March 31, 2009

	(in thousands)				
	2008-2009 Estimates	Adjustment[a]	2008-2009 Budget	Authorized Supplementary[b]	2008-2009 Authorized Budget
Revenue					
Transfer from the Government of Canada	$ 296,160	$ -	$ 296,160	$ -	$ 296,160
Internal Government Transfers[a]	11,987	-	11,987	-	11,987
Fees, Permits and Licences	564	-	564	-	564
Other Revenue	35,280	-	35,280	-	35,280
	343,991	-	343,991	-	343,991
Expenses - Directly Incurred:					
Voted Expenses					
Ministry Support Services	22,004	-	22,004	-	22,004
Employment	706,661	(697)	707,964	72,667	780,631
Labour Standards and Workplace Safety	37,492	-	37,492	(810)	36,682
Immigration	84,928	-	84,928	(10,887)	74,041
Health Workforce Development	48,500	-	48,500	(4,424)	44,076
Federal Community Development Trust	5,000	-	5,000	-	5,000
Labour Relations Board	3,147	-	3,147	-	3,147
Workers' Compensation Appeals	10,162	-	10,162	(1,085)	9,077
	919,894	(697)	919,197	55,461	974,658
Statutory Expenses					
Valuation Adjustments					
Provision for Vacation Pay	24	751	775	-	775
	919,918	54	919,972	55,461	975,433
Net Operating Results	$ (575,927)	$ (54)	$ (575,981)	$ (55,461)	$ (631,442)
Capital Investment	$ 3,598	$ 2,847	$ 6,445	$ -	$ 6,445

[a] Adjustments reflect the February 4, 2009 Treasury Board approval pursuant to section 24(2) of the *Financial Administration Act*.

[b] Supplementary estimates received Royal Assent on December 4, 2008 and March 23, 2009.

Schedule 5

Comparison of Expenses - Directly Incurred, EIP and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget

For the year ended March 31, 2009

(In thousands)

	2008-2009 Estimate	Adjustment[a]	Authorized Supplementary[b]	2008-2009 Authorized Budget	2008-2009 Actual[c]	Unexpended (Over Expended)
Voted Expenses and Equipment and Inventory Purchases						
Program 1 - Ministry Support Services						
1.0.1 Minister's Office	$ 509	$ -	$ -	$ 509	$ 508	$ 1
1.0.2 Deputy Minister's Office	609	-	-	609	563	46
1.0.3 Strategic Services	6,037	-	-	6,037	5,344	693
1.0.4 Corporate Services Office	388	-	-	388	385	3
1.0.5 Information Technology Management						
Operating Expense	5,859	-	-	5,859	5,337	522
Equipment and Inventory Purchases	578	-	-	578	657	(79)
1.0.6 Human Resource Services	4,329	-	-	4,329	6,209	(1,880)
1.0.7 Finance Services	2,895	-	-	2,895	2,433	462
1.0.8 Freedom of Information and Privacy	674	-	-	674	867	(193)
1.0.9 Communications	724	-	-	724	515	209
1.0.10 Cabinet Policy Committee on Managing Growth Pressures	-	-	-	-		-
	22,582	-	-	22,582	22,798	(216)
Program 2 - Employment						
2.1.1 Planning and Program Management						
Operating Expense	12,849	(1,202)	-	11,647	11,681	(34)
Equipment and Inventory Purchases	-	1,202	-	1,202	602	600
2.1.2 Program Delivery and Support				-		-
Operating Expense	119,669	(795)	-	118,874	127,521	(8,647)
Equipment and Inventory Purchases	3,020	795	-	3,815	3,508	307
2.1.3 Child Support Services	5,500	-		5,500	5,141	359
2.1.4 Francophone Secretariat	1,074	-	-	1,074	1,121	(47)
2.1.5 Canada-Alberta Co-operation Agreement (Francophone Initiatives)	3,680	-	-	3,680	3,680	-
2.2.1 Youth Connections	6,317	-	-	6,317	6,798	(481)
2.2.2 Career Development Services	46,847	-	675	47,522	56,766	(9,244)
2.2.3 Basic Skills and Academic Upgrading	17,323	-	4,370	21,693	21,215	478
2.2.4 Disability Related Employment Supports	13,259	-	(3,435)	9,824	10,848	(1,024)
2.2.5 Summer Temporary Employment Program						
Expense funded by Lotteries	7,413	-	-	7,413	6,883	530
2.2.6 Training for Work						
Operating Expense	58,187	1,300	8,262	67,749	60,755	6,994
Equipment and Inventory Purchases	-			-	33	(33)
2.3.1 Workforce Partnerships	9,459	-	(2,606)	6,853	4,021	2,832
2.3.2 Aboriginal Development Partnerships	3,432	-	86	3,518	3,473	45
2.4.1 Alberta Child Health Benefit	24,300	-	5,427	29,727	28,169	1,558
2.4.2 Alberta Adult Health Benefit	10,359	-	4,100	14,459	14,763	(304)
2.4.3 Learners	4,000	-	-	4,000	2,404	1,596
2.4.4 People Expected to Work or Working	17,901	-	2,700	20,601	22,761	(2,160)
2.4.5 People Not Expected to Work	39,880	-	3,500	43,460	43,329	131
2.5.1 Learners	57,538	-	10,071	67,609	69,132	(1,523)
2.5.2 People Expected to Work or Working	130,271	-	27,726	157,997	163,236	(5,239)
2.5.3 People Not Expected to Work	115,500	-	11,437	126,937	127,624	(687)
2.5.4 Widows' Pension	3,923	-	254	4,177	4,215	(38)
	711,681	1,300	72,667	785,648	799,679	(14,031)

Schedule 5

Comparison of Expenses - Directly Incurred, EIP and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget (continued)

For the year ended March 31, 2009

(in thousands)

	2008-2009 Estimate	Adjustment[a]	Authorized Supplementary[b]	2008-2009 Authorized Budget	2008-2009 Actual[c]	Unexpended (Over Expended)
Program 3 - Labour Standards and Workplace Safety						
3.1.1 Program Support						
Operating Expense	1,489	-	-	1,489	1,639	(150)
Equipment and Inventory Purchases	-	-	-	-	53	(53)
3.2.1 Mediation	927	-	-	927	822	105
3.2.2 Labour Relations Policy and Facilitation	1,183	-	-	1,183	1,189	(6)
3.2.3 Professions and Occupations	1,370	-	-	1,370	933	437
3.3.1 Legislation, Policy and Technical Support						
Operating Expense	8,331	-	-	8,331	8,320	11
Equipment and Inventory Purchases	-	850	-	850	942	(92)
3.3.2 Partnerships	1,988	-	-	1,988	1,815	173
3.3.3 Compliance	13,801	-	-	13,801	14,188	(387)
3.4.1 Legislation, Policy and Technical Support	2,791	-	-	2,791	3,654	(863)
3.4.2 Compliance	8,549	-	-	8,549	7,619	(1,070)
3.5.1 Medical Panels for Alberta Workers' Compensation	1,083	-	(810)	273	250	23
	37,492	850	(810)	37,532	39,384	(1,852)
Program 4 - Immigration						
4.1.1 Immigration Policy Support	4,939	-	-	4,939	4,959	(20)
4.2.1 Settlement and Integration Services and Enhanced Language Training						
Operating Expense	3,700	-	-	3,700	3,242	458
Expense funded by Lotteries	4,574	-	-	4,574	4,574	-
4.2.2 International Qualification Assessment Services	3,570	-	(1,088)	2,482	1,467	1,015
4.2.3 Alberta Immigrant Nominee Program	4,500	-	-	4,500	3,403	1,097
4.2.4 Labour Attraction	7,082	-	-	7,082	7,145	(63)
4.2.5 English as an Additional Language	13,630	-	(1,058)	12,572	10,470	2,102
4.2.6 Bridging Programs	9,867	-	(3,077)	6,790	3,721	3,069
4.2.7 Living Allowance for Immigrants	33,066	-	(5,664)	27,402	21,510	5,892
	84,928	-	(10,887)	74,041	60,491	13,550
Program 5 - Health Workforce Development						
5.0.1 Health Workforce Development	48,500	-	(4,424)	44,076	39,754	4,322
	48,500	-	(4,424)	44,076	39,754	4,322
Program 6 - Federal Community Development Trust						
6.0.1 Federal Community Development Trust	5,000	-	-	5,000	4,726	274
	5,000	-	-	5,000	4,726	274
Program 7 - Labour Relations Board						
7.0.1 Labour Relations Board	3,147	-	-	3,147	3,154	(7)
	3,147	-	-	3,147	3,154	(7)
Program 8 - Workers' Compensation Appeals						
8.0.1 Appeals Commission for Alberta Workers' Compensation						
Operating Expense	10,162	-	(1,085)	9,077	8,486	591
	10,162	-	(1,085)	9,077	8,486	591
Total Voted Expenses and Equipment and Inventory Purchases	$ 923,492	$ 2,150	$ 55,461	$ 981,103	$ 978,472	$ 2,631
Program Operating Expense	919,894	(697)	55,461	974,658	972,676	1,982
Program Equipment and Inventory Purchases	3,598	2,847		6,445	5,796	649
	$ 923,492	$ 2,150	$ 55,461	$ 981,103	$ 978,472	$ 2,631
Statutory Expenses						
Valuation Adjustments	24	751	-	775	2,338	(1,563)
Total Statutory Expenses	$ 24	$ 751	$ -	$ 775	$ 2,338	$ (1,563)

[a] Adjustments reflect the February 4, 2009 Treasury Board approval pursuant to section 24(2) of the *Financial Administration Act*.

[b] Supplementary estimates received Royal Assent on December 4, 2008 and March 23, 2009.

[c] Includes achievement bonus of $2,682.

Schedule 6 (a)

Salary and Benefits Disclosure

For the year ended March 31, 2009

	2009				2008
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Official					
Deputy Minister[4]	$ 253,668	$ 43,000	$ 60,586	$ 357,254	$ 325,991
Executives					
Assistant Deputy Ministers					
Delivery Services	177,828	30,942	43,084	251,854	231,844
Immigration	140,762	28,107	34,079	202,948	242,521
Workforce Supports	134,878	19,242	33,498	187,618	227,102
Labour Standards and Workplace Safety	177,828	16,716	42,892	237,436	225,185
Strategic Corporate Services[5]	177,828	34,499	43,248	255,575	246,626

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) The Assistant Deputy Minister positions of Corporate Services and Strategic Services and Information were combined in 2009.

Schedule 6 (b)

Salary and Benefits Disclosure

Labour Relations Board

For the year ended March 31, 2009

	2009				2008
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Official					
Chair[4][5]	$ 241,921	$ 32,085	$ 9,429	$ 283,435	$ 278,137
Executives					
Vice Chair[5]	147,229	11,257	1,686	160,172	149,703
Vice Chair[6]	163,507	3,377	19,701	186,585	205,497
Vice Chair[7]	56,587	3,752	5,432	65,771	185,440
Executive Director	145,572	10,190	35,688	191,450	179,323

Prepared in accordance with Treasury Board Directive 12/98 as amended.

[1] Base salary includes pensionable base pay.

[2] Other cash benefits include bonuses, vacation payouts and lump sum payments.

[3] Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

[4] Automobile provided, no dollar amount included in benefits and allowances figures.

[5] Salary includes pay in lieu of benefits.

[6] This position was occupied by two individuals for 2008 and 2009.

[7] This position was occupied part time in 2009 and full time in 2008.

Schedule 6 (c)

Salary and Benefits Disclosure
Workers' Compensation Appeals
For the year ended March 31, 2009

	2009				2008
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Officials					
Chief Appeals Commissioner[4]	$ 192,336	$ 28,850	$ 46,619	$ 267,805	$ 245,470
Full Time Commissioners[5]	2,528,161	179,188	303,080	3,010,429	3,212,623
Temporary Appeals Commissioners	1,406,375	-	-	1,406,375	906,588

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Commissioners consist of twenty-two full time individuals.

Schedule 7

Related Party Transactions

For the year ended March 31, 2009

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	(in thousands) Other Entities	
	2009	2008 Restated
Revenues		
Internal Government Transfers	$ 11,987	$ 12,769
Expenses - Directly Incurred		
Other Services	$ 2,373	$ 1,908

The above transactions do not include shared service support arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not included in the financial statements, but are disclosed in Schedule 8.

	(in thousands) Other Entities	
	2009	2008 Restated
Expenses - Incurred by Others		
Accommodation	$ 20,255	$ 19,706
Legal Services	651	452
Other Services	10,817	10,587
	$ 31,723	$ 30,745

Schedule 8

Allocated Costs

For the year ended March 31, 2009

(in thousands)

Program	Directly Incurred Expenses (1)	2009 Expenses - Incurred by Others: Accommodation Costs (2)	Legal Services (3)	Other Services (4)	Valuation Adjustments (5): Doubtful Accounts (6)	Vacation Pay (7)	2009 Total Expenses	Restated (Note3) 2008 Total Expenses
Ministry Support Services	$ 22,141	$ 889	$ 214	$ 459	$ (28)	$ 145	$ 23,820	$ 22,422
Employment	796,535	16,584	-	8,932	-	1,259	822,310	721,991
Labour Standards and Workplace Safety	38,369	1,566	413	812	-	389	41,549	34,667
Immigration	60,491	938	-	479	-	276	62,184	54,158
Health Workforce Development	39,754	-	-	-	-	-	39,754	29,969
Federal Community Development Trust	4,726	-	-	-	-	-	4,726	-
Labour Relations Board	3,154	122	24	62	-	(25)	3,337	3,422
Workers' Compensation Appeals	8,486	136	-	73	-	322	9,017	8,773
	$ 972,676	$ 20,255	$ 651	$ 10,817	$ (28)	$ 2,366	$ 1,006,737	$ 875,822

(1) Expenses as per Statement of Operations excluding valuation adjustments.

(2) Costs shown for Accommodation in Schedule 7 have been allocated as follows:

- Where buildings accommodate staff for one program, costs are allocated to the specific program.
- Where buildings accommodate staff for for two programs, costs are allocated equally between programs.
- Buildings which accommodate multi-programs, costs are allocated based on ratio of staff employed in each program.

(3) Costs shown for Legal Services in Schedule 7 have been allocated based on hours of work performed.

(4) Costs shown for Other Services in Schedule 7 have been allocated based on value of services provided.

(5) Valuation adjustments as per Statement of Operations.

(6) Provision for doubtful accounts have been allocated based on actual provision relating to the program.

(7) Provision for vacation pay has been allocated based on actual liability recorded.

Statement of Remissions, Compromises and Write-Offs

For the year ended March 31, 2009

(in thousands)

The following Statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs of the Ministry of Employment and Immigration made or approved during the fiscal year.

Remissions under section 26 of the *Financial Administration Act*:	$ -
Compromises under section 27 of the *Financial Administration Act*:	
Supports for Independence, Assured Income for the Severely Handicapped Program and Alberta Adult Health Benefit	5
Bankruptcies:	
Supports for Independence, Assured Income for the Severely Handicapped Program and Alberta Adult Health Benefit	85
Learners Support	24
	109
Write-Offs:	
Supports for Independence, Assured Income for the Severely Handicapped Program and Alberta Adult Health Benefit	4,552
Learners Support	2
Bursary	62
Miscellaneous	47
	4,663
	$ 4,777

Un-audited information as per 2009 Ministry Annual Report Standards.

Workers' Compensation Board Financial Statements

The Workers' Compensation Board – Alberta (WCB) releases its own Annual Report, which can be found at http://www.wcb.ab.ca/public/reports_plans.asp; however, E&I is required to include WCB financial statements as supplemental information. The following information from WCB's 2008 Annual Report is included in this section:

- Management Discussion and Analysis of 2008 Financial Statements and Operating Results
- Balance Sheet
- Statement of Operations
- Statement of Comprehensive Loss
- Statement of Changes in Funded Position
- Statement of Cash Flows
- Notes to the Financial Statements

Management Discussion and Analysis of 2008 Financial Statements and Operating Results

The Management Discussion and Analysis (MD&A) provides management's perspective on key issues that affect current and future performance of the Workers' Compensation Board–Alberta (WCB-Alberta, WCB). The MD&A, prepared as at March 22, 2009, should be read in conjunction with the audited financial statements and accompanying notes for the year ended December 31, 2008.

Forward-looking statements

This report contains forward-looking statements about certain matters that are by their nature subject to many risks and uncertainties, which may cause actual results to differ materially from the statements made herein. Forward-looking statements include, but are not limited to, WCB objectives, strategies, targeted and expected financial results, and the outlook for WCB's business and for the Alberta and global economies. Risks and uncertainties include, but are not limited to, changing market, industry and general economic factors or conditions; changes in legislation affecting WCB policies and practices; changes in accounting standards; the ability to retain and recruit qualified personnel; and other risks, known or unknown. Some are predictable or within WCB control; many are not. The reader is hereby cautioned to not place undue reliance on these forward-looking statements.

Unless otherwise indicated, all amounts shown are in millions of Canadian dollars.

Business Overview

Corporate profile

Founded in 1918, WCB-Alberta is a not-for-profit organization with a legislative mandate under the *Workers' Compensation Act* (the *Act*) to administer the workers' compensation system for the province of Alberta. While accountable to the Minister of Employment and Immigration, WCB is not a provincial government department or Crown corporation, but is independently funded and operated as an insurance enterprise. Through the payment of premiums, over 140,000 employers fund the system, which covers more than 1.83 million workers.

WCB-Alberta's mandate

In Canada, workers' compensation is a no-fault disability insurance system that protects both employers and workers against the economic impact of work-related injuries and occupational diseases. Based on the Meredith Principle,[1] the system covers injured workers for lost employment income and provides health care, rehabilitation and other services required because of a work-related injury, while employers are shielded from litigation. This system brings economic stability to the workplace through collective liability that minimizes the risks and expenses of injury. To achieve these objectives, the *Act* established the Accident Fund and imposed a statutory obligation on WCB to ensure that it be fully funded.

At the highest and simplest level, WCB is involved in two significant and complementary business activities: customer operations and financial management.

Customer operations provide disability insurance for workplace injuries. Key business processes include assessment and collection of premiums from employers, payment of compensation benefits to injured workers and return-to-work services.

Financial management uses an integrated risk-based approach to managing assets and liabilities and generating an adequate return on invested assets to pay for claim-related obligations. Key business processes include strategic financial planning, rate setting, investment management, claim benefit liability

[1] Refer to the Glossary for an outline of the concepts.

valuation, financial risk management and financial-performance reporting. Strong financial management not only ensures security of benefits for workers and fair premiums for employers, but also provides appropriate tools for evaluating how effectively WCB is meeting its financial obligations.

WCB vision and mission

The core principles set out in WCB's vision and mission shape the corporate beliefs and values that guide the organization's operating philosophy:

Vision

Albertans working – a safe, healthy and strong Alberta

Mission

WCB-Alberta, working together with our partners, will significantly and measurably reduce the impact of workplace illness and injury on Albertans.

WCB's strategic vision is to make a positive and lasting impact on the people, society and economy of Alberta through what it does, while the mission statement describes the operating guidelines for how it intends to conduct business.

2008 Financial Performance

OPERATING HIGHLIGHTS

Once again, the major themes underscoring WCB-Alberta's financial results for fiscal 2008 centre around the Alberta economy and the global capital markets. WCB's financial position was negatively impacted by the decline in equity prices in 2008, while customer operations continued its commitment to service excellence and delivered outcomes that contributed positively to the financial performance for the year. The important themes that underscore the 2008 performance include the following:

- Total revenue of $574.3 million offset by total expenses of $1,088.1 million yields an operating deficit of $513.8 million, a decrease of 187.5% over the $587.5 million surplus in 2007. These operating results contributed to the Funded Position of $590.3 million, or 111.7%.
- Total premium revenue of $993.8 million is up 1.6% from $977.7 million in 2007, reflecting insurable earnings growth in 2008 offset by the drop in the average provisional premium rate from $1.43 per $100.00 of insurable earnings in 2007 to $1.32 in 2008.
- Investment revenue is down significantly in 2008 at a $421.3 million loss compared to $568.0 million of income in 2007 due to realized losses and impairment write-downs on equities and non-government bonds. The dramatic fall globally in equity prices and non-government bonds impacted WCB's investment portfolio. These market events led to a return of negative 15.1% for WCB's investment portfolio for 2008, down from the 2007 return of 2.9%.
- Total claim costs of $971.6 million increased $116.3 million, or 13.6%, from the previous year due primarily to policy changes that increased benefits and inflationary increases in health care and wage replacement benefits. Effective case management and the ongoing focus on return-to-work outcomes continued to produce impressive results on the cost side. Average claim duration continued its downward trend, ending the year at 32.1 days. Claim volume of 167,900 is down 4.2% from 2007 even though provincial employment growth of 4.9%[2] is comparable to the previous year. Administration and other expenses of $116.5 million brought total expenses to $1,088.1 million.

[2] Alberta Employment and Immigration, Labour Force Statistics – December 2008

The table below summarizes the major contributors to WCB's operating deficit of $513.8 million.

($ millions)	2008 Budget	2008 Actual	2007 Actual
Premiums			
Surplus premium revenue resulting from the actual premium rate collected of $1.33 (2007 – $1.46) being higher than the required premium rate of $1.21 (2007 – $1.31), based on insurable earnings	$ -	$ 86.0	$ 96.1
Investments			
Net (deficiency) excess of investment income over the interest requirement of $241.8 million (2007 – $242.5 million) on the claim benefit liability	119.9	(663.1)	325.5
Claim benefit liabilities			
Change in discount rate on claim benefit liabilities	-	-	(114.8)
Other (losses) gains due to changes in actuarial methods and assumptions	-	(52.6)	194.4
Actuarial gains due to claims experience	112.1	110.4	91.3
Other			
Other revenue (expense) items	0.5	5.5	(5.0)
Operating surplus (deficit)	$ 232.5	$ (513.8)	$ 587.5

In its simplest terms, the funding model for WCB operates on the premise that in a given year, premiums cover all operating costs on a break-even basis, while investment returns are expected to cover the annual interest requirement on the liability. Operating surpluses or deficits arise when actual cost and returns are different from forecasted expectations, which rely on economic and business assumptions based on available information at a point in time. Given the volatile performance of local and global economies, forecasting is subject to a great deal of uncertainty and risk. Consequently, actual results will likely differ significantly from even the most rigorously developed plans.

Customer Operations

PREMIUMS

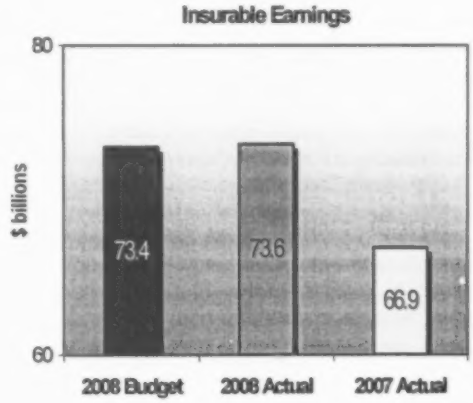
Insurable earnings

↗ $0.2 billion (0.3%) over budget

Alberta's economy continued to apply upward pressure on payrolls, increasing 2008 insurable earnings to $73.6 billion, 0.3% higher than the budget of $73.4 billion. Insurable earnings in five sectors increased, while four sectors actually decreased compared to budget, resulting in marginal increase overall.

↗ $6.7 billion (10.0%) over prior year

Alberta employment growth and wage escalation were the primary factors for the 10.0% increase in 2008, with the construction and business/personal/professional services sectors leading the way with 17.8% and 14.8% increases, respectively.



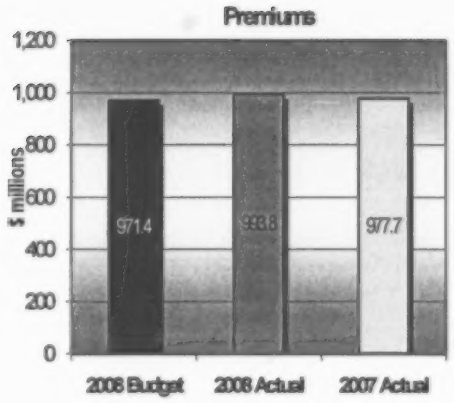
Premium revenue

↗ $22.4 million (2.3%) over budget

The 2008 positive variance in premium revenue of $22.4 million stemmed primarily from a shift in expected insurable earnings into higher-rated industries. Construction led all sectors at $48.1 million, or 15.0% higher than budget, with municipal government/education/health at $10.8 million (10.2%) and business/personal/professional services following at $7.8 million (10.7%).

↗ $16.1 million (1.6%) over prior year

The increase in revenues from $977.7 million to $993.8 million was due to an increase in insurable earnings in 2008 offset by a reduction in the average provisional premium rate from $1.43 for 2007 to $1.32 for 2008.



PREMIUM RATES

Total premium revenue requirements for rate-setting purposes are based on projected operating expenses for the year. Base revenue requirements are composed of fully funded costs of claims arising in the current year, administration costs related to those claims, general administration expenses for WCB operations, and transfer levies. In addition, premiums include a funding levy for the Occupational Disease Reserve (ODR) plus any special levies necessary to replenish the Accident Fund in accordance with the Funding Policy.

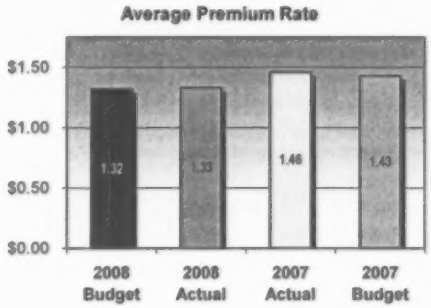
Average premium rate

↗ $0.01 (0.8%) over budget

Similar to 2007, higher wage growth, primarily in higher-rated industries, resulted in an average actual rate that was $0.01 above budget.

↘ $0.11 (7.7%) budget reduction from prior year

The reduction from $1.43 to $1.32 in the average budget rate is reflective of the projected increase in Insurable Earnings more than offsetting the projected increase in operating costs for 2008.

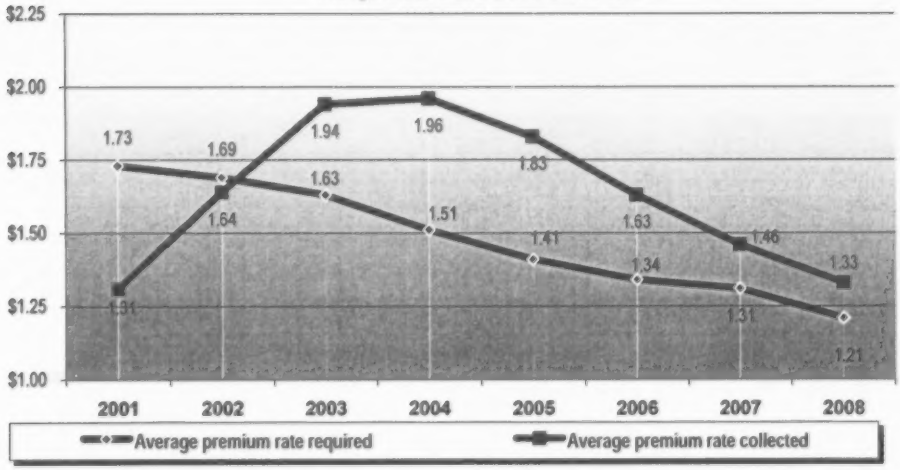


The chart presents an eight-year trend comparison of required versus collected premium rates. In 2001, the shortfall in the required rate resulted from subsidizing the rates through excess investment returns. Current and future premium rates are no longer discounted, as the Funding Policy stipulates that the required rate and resulting revenue cover the current-year fully funded claim costs.

Average Premium Rates

2001-2008

Required versus Collected



The 2008 premium requirement and rate were based on projected fully funded claim costs and insurable earnings using the best information available in early Q4 2007. Better-than-expected cost performance coupled with higher-than-estimated insurable earnings culminated in higher premiums collected than required for fiscal 2008. The surplus premium of $86.0 million helped reduce the overall operating deficit.

CLAIM COSTS

Claim costs are an estimate of current and future costs arising from compensable injuries occurring in 2008, the future costs to administer these claims, and claim benefit liability adjustments relating to prior years' injuries.

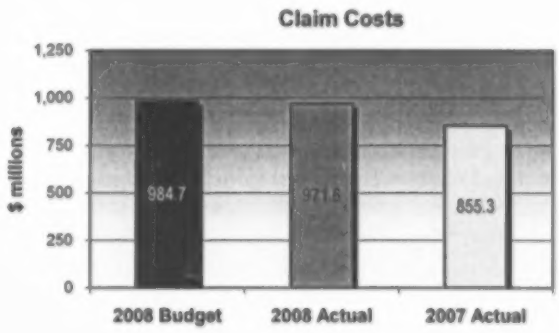
Claim costs

↘ $13.1 million (1.3%) under budget

Dropping claim volume, sound management of current-year and prior-year claim expenditures and related favourable adjustments to the claim benefit liability resulted in claim costs slightly lower than expected.

↗ $116.3 million (13.6%) over prior year

Policy changes, wage growth and inflationary costs for health care and other benefits more than offset the effects of lower time-lost claim (TLC) volume. As a result, claim costs increased in almost all cost categories compared to the prior year.



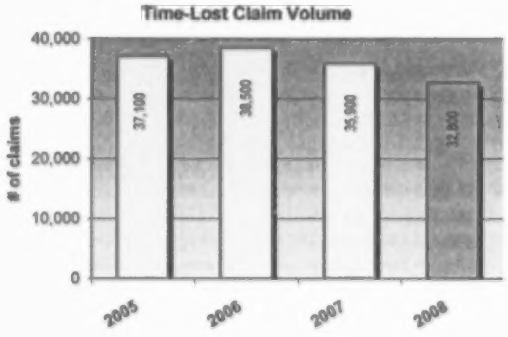
Claim benefit costs

Processed claim-benefit costs for 2008 were slightly below expectations. Lower volume and costs of economic loss benefits contributed $17.6 million to the positive budget variance and health care costs were $11.1 million lower than expected due to decreasing volume and duration of injuries. The impact of lower claim volume on other cost categories accounts for another $25.0 million of positive variance. Changes in the methods and assumptions relating to the claim benefit liability generated a negative budget variance of $40.6 million, bringing the overall positive budget variance to $13.1 million.

Claim volume

Although the Alberta economy added 53,800[3] more jobs during 2008, time-lost claim TLC volume fell from 35,900 in 2007 to 32,800 in 2008, a drop of 8.6%.

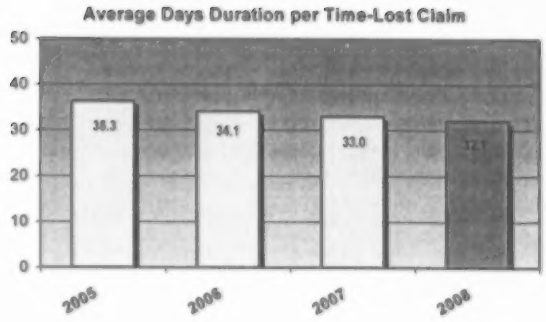
An increase of approximately 90,000 covered workers along with the drop in TLC contributed to the TLC projected rate dropping to 1.8 claims per 100 workers, a decrease of 13.0%. Similarly, the disabling-injury rate (TLC + modified-work-only cases = disabling injuries) dropped by 7.7% to 3.4 disabling injuries per 100 workers.



[3] Alberta Employment and Immigration, Labour Force Statistics – December 2008

Claim duration

Effective case management, medical management, innovative modified work programs and co-ordinated return-to-work planning resulted in another record achievement for claim duration (average elapsed time from injury to return to work) of 32.1 days, down from 33.0 days in 2007.



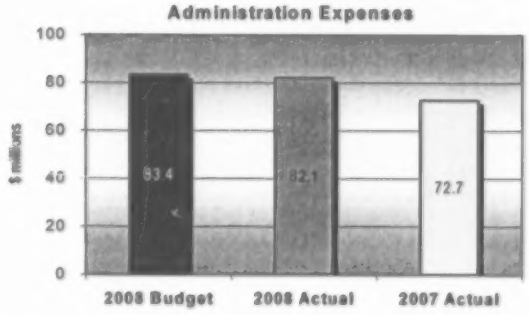
ADMINISTRATION

↘ $1.3 million (1.6%) under budget

Administration came in under budget, mainly due to effective expenditure management and lower-than-expected employee-related costs.

↗ $9.4 million (12.9%) higher than prior year

The increase over 2007 reflects inflationary pressure on operating costs.



Administration expenses exclude claim-related administration costs (2008 – $72.9 million, 2007 – $70.8 million) that are included in claim costs.

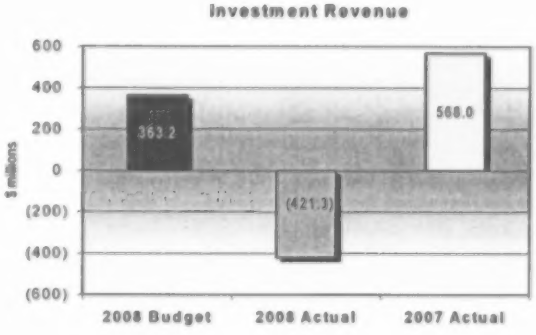
Financial Management

Investment revenue

↘ $784.5 million (-216.0%) under budget

↘ $989.3 million (-174.1%) under prior year

The primary contributor to the 2008 budget variance and decrease from 2007 was the impact of sharply negative equity and non-government bond values in 2008. This resulted in both realized losses and impairment write-downs on some specific securities that were severely impacted by the capital market events of 2008.



INVESTMENTS

For 2008, investment return was the key driver of WCB's financial results. The following discussion provides an overview of the economic and market forces that had a direct impact on WCB's investment portfolio and returns.

Capital markets overview

The financial crisis that began in 2007 centred in the United States. It gathered momentum through 2008 and spread across the globe. Two large financial institutions, Bear Stearns and Lehman Brothers, failed and other financial institutions around the world required intervention from governments and central banks to keep them solvent. Central banks cut interest rates and instituted other dramatic measures to shore up capital markets. Major government stimulus packages have been announced or are forthcoming. When 2008 came to a close, overall capital market returns were the worst experienced since the 1930's.

Equity markets, along with currencies, commodities and bond markets also experienced extreme volatility in 2008. Due to investor risk-aversion and falling energy and commodity prices, the Canadian dollar depreciated versus the U.S. dollar and most major currencies. The currency depreciation helped the returns on foreign investments for Canadian investors.

Government bonds were a safe haven. Prices rose and yields fell to historically low levels in Canada and in many markets. On December 31, 2008 the yield to maturity on the 30-year Government of Canada Bond was 3.46%. Corporate and other non-government bonds were negatively impacted by increasing risk premiums due to fear of default and decreased liquidity. Canadian corporate bonds returned 0.23% compared to Government of Canada bonds that earned a rate of return of 12.09% in 2008.

For further information on WCB's investments, the 2008 Annual Investment Report can be found online at http://www.wcb.ab.ca.

Portfolio performance

Market returns

The portfolio earned a nominal market rate of return of negative 15.1% for 2008 (1.2% below the policy benchmark) and 2.5% for the four-year period ended December 31, 2008 (0.3% below the benchmark). The primary goal of the investment portfolio is to earn a real rate of return (nominal rate less inflation) that meets or exceeds the actuarial required real rate of return. On this basis, the real rate of return for 2008 of negative 18.3% (nominal rate of negative 15.1% less inflation of 3.2%) was well below the actuarial required rate of 3.0%. It is important to note that because the portfolio is designed to produce sustainable positive returns over a long investment horizon, the risk of short-term volatility is anticipated and managed in accordance with WCB's Investment Policy (see below).

Benchmark returns

The benchmark return is composed of benchmark index returns for each asset class, weighted by the policy asset mix. Performance versus the benchmark is a relative measure of success in implementing the investment program through active management.

The 2008 Annual Investment Report at http://www.wcb.ab.ca contains a detailed analysis of portfolio returns.

Investment Policy

WCB's Investment Policy contains the goals, objectives and target asset mix for the portfolio. It also describes the permitted investments, constraints and controls for management of the portfolio. The underlying investment philosophy emphasizes minimizing volatility while maximizing returns. The desired outcome is to generate investment returns over the long term that exceed the actuarial required real rate of return (currently 3.0%) with greater certainty. Over the long term, investment returns are expected to cover the annual interest requirement of the liability.

Portfolio management

Asset mix

Asset mix is the primary driver of portfolio risk and return, with targets defined in the Investment Policy. As at December 31, 2008, the investment portfolio complied with the Investment Policy.

2008 Asset Mix versus Policy Mix

Asset Class	Actual Asset Mix [1]	Policy Asset Mix
Cash and cash equivalents	0.6%	1.0%
Conventional bonds and mortgages	42.6%	39.3%
Real return bonds	8.4%	8.0%
Real estate	8.2%	7.5%
Canadian equity	9.2%	10.2%
Global equity	28.0%	30.0%
Emerging-markets equity	2.7%	4.0%
Infrastructure	0.3%	0.0%
	100.0%	100.0%

[1] Asset mix percentages reflect the effects of derivative contracts utilized to adjust the portfolio asset mix. Derivatives are used as a portfolio management tool to achieve desired exposures without actually holding cash market securities directly.

Use of derivatives

WCB's investment portfolio includes derivatives that are used to manage asset exposures. Derivative contracts are undertaken to provide market exposure, to replicate permitted investments, or as part of a hedging strategy to reduce portfolio risk. They are used only within stringent guidelines and controls, and not for speculative reasons. Derivative positions are monitored for compliance with the Investment Policy. Compliance is reported to senior management and WCB's Finance Committee on a quarterly basis.

The investment portfolio includes passive currency hedges to mitigate foreign-currency exposure. Fifty per cent (+/- 10%) of the foreign-currency exposure assumed through the global-equity asset class is hedged back to Canadian dollars, while 100% of the global-fixed-income mandate is hedged. Hedging transactions are executed through an external overlay manager independent of the underlying foreign-equity managers, and the performance impact is clearly separated and monitored.

CLAIM BENEFIT LIABILITIES

At the end of each fiscal year, WCB determines its claim benefit liabilities for all injuries that have taken place up to that date. These liabilities represent the actuarial present value of all future benefit and related administration costs, excluding costs attributable to self-insured employers. As at December 31, 2008, claim benefit liabilities aggregated to $4,905.7 million, an increase of $299.4 million, or 6.5%, over 2007.

Significant changes in liabilities

The overall increase in the liability of $299.4 million is attributable to the following:

($ millions)	
Provision for future costs of current-year injuries	$ 564.0
Interest requirement on the liability	241.8
Benefit payments for prior years' injuries	(448.6)
Policy changes	46.0
Changes in actuarial methods and assumptions	52.6
Claim-cost-experience gains	(156.4)
	$ 299.4

Actuarial methods and assumptions

Two policy changes affected the liability for 2008. One change was to survivor benefits and another was for an increase to travel and accommodation allowances. These changes produced a combined increase of $46.0 million to the liability.

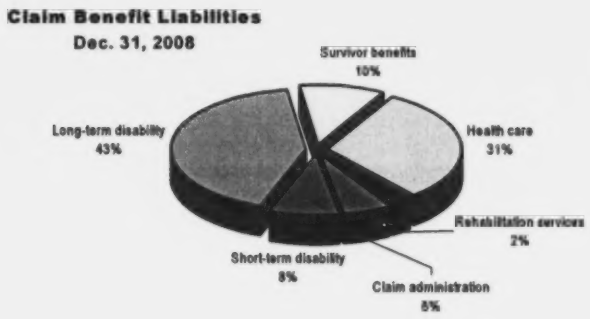
The following changes in the methods and assumptions used to value the liability increased the liability by an additional $52.6 million:

- introduction of retirement rates and updates to development rates and transfer probabilities for economic loss payments (ELPs) ($46.9 million increase)
- new incidence rates for outstanding ELPs ($39.9 million decrease)
- changes for claim administration liability ($23.8 million increase)
- other changes ($21.8 million increase)

Impact of claims experience

Differences between actual experience and what was expected in the prior valuation result in experience losses (which increase the liability) or gains (which decrease the liability). The impact of actual claims experience resulted in an overall gain of $156.4 million that is comprised of the following areas:

($ millions)	
Actual cost-of-living and inflation different than expected	$ (25.0)
Actual claim costs lower than expected	96.1
Better-than-expected short-term disability experience	12.5
More favorable experience for ELPs	17.0
Better-than-expected health care experience	40.1
Other experience gains	15.7
	$ 156.4



Sensitivity of actuarial assumptions

Claim benefit liabilities are estimated primarily using actuarial assumptions for the real discount rate, the claim incidence rate, the cost escalation rate and benefits duration. Because of the large values involved, the liability estimates are highly sensitive to even small changes in these actuarial assumptions.

Details of the changes in claim benefit liabilities during 2008, as well as further discussion of the sensitivity of actuarial assumptions, can be found in Note 11, *Claim Benefit Liabilities*, in the accompanying financial statements and notes.

FUNDING POLICY

The Funding Policy is the primary instrument through which WCB manages its capital or fund structure, and provides direction for setting premium rates and optimum funding level. The Funding Policy can evolve – through rigorous management review, stakeholder consultation and Board of Director approval – to address changing economic and financial circumstances. The vision is to maintain a Funding Policy, supported by comprehensive asset-liability analysis, which responds dynamically to changing economic conditions. Details of the Funding Policy may be found under WCB Information in the Policy and Legislation section of WCB's website at http://www.wcb.ab.ca.

Funding principles and objectives

The strategic aim of funding and investment policies is to strive for balance between financial risk (i.e., volatility), investment returns and funding stability. Specifically, the Funding Policy embodies these financial objectives:

- Minimize the risk of becoming unfunded.
- Minimize cost volatility to employers.
- Charge premiums that reflect the cost of current-year claims.

The funding mechanisms that evolve from these objectives address those risks that may affect the financial stability of WCB – primarily investment volatility. Funding Policy rules are in place to minimize these risks, with ongoing monitoring and evaluation to ensure that they continue to respond effectively to changing economic conditions.

Funding rules

The rules guiding financial decisions under the Funding Policy include the following:

- premium-rate design based on current-year fully funded claim costs (i.e., full cost recovery with no rate subsidization or smoothing)
- minimum premium cost to employers set at 60% of industry-rated premiums
- multiple target ranges to guide funding decisions and accommodate volatility
- surplus distribution dividend or fund replenishment levy used as funding adjustment mechanisms

These rules help achieve equity and consistency in the attribution of costs among employers and ensure intergenerational equity by requiring current employers to cover the cost of current-year injuries.

Funding allocations

The Accident Fund represents all WCB assets available to discharge its legislative mandate. The allocation of assets to each of WCB's fiduciary obligations is expressed as a percentage of total liabilities as at the reporting date:

- Fully funded status is achieved when assets are sufficient for payment of all current and future compensation and related administration costs (target level: 100%).
- Assets are retained in the Fund Balance to lessen the risk of becoming unfunded and in the Occupational Disease Reserve (ODR) to provide for significant unforeseen costs related to latent occupational injury or disease (minimum target level: 14%).

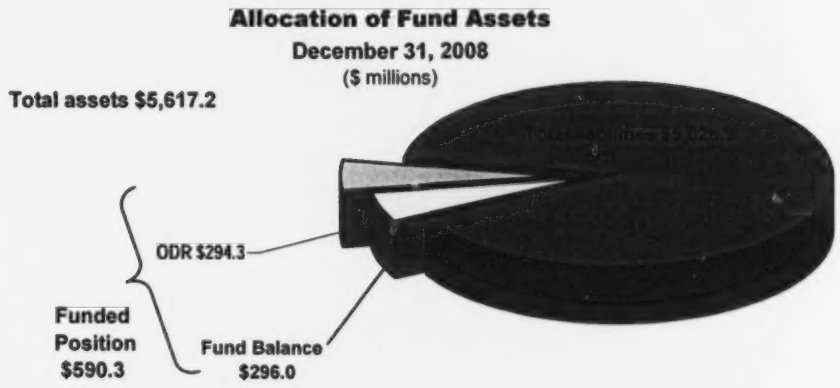
The Accident Fund is considered fully funded when it is within the Funded Ratio target range of 114% to 128%. Surplus assets exceeding the 128% funding level are available for distribution to employers as a special dividend, whereas replenishment levies would be required if assets fall below 114%.

Funded Position

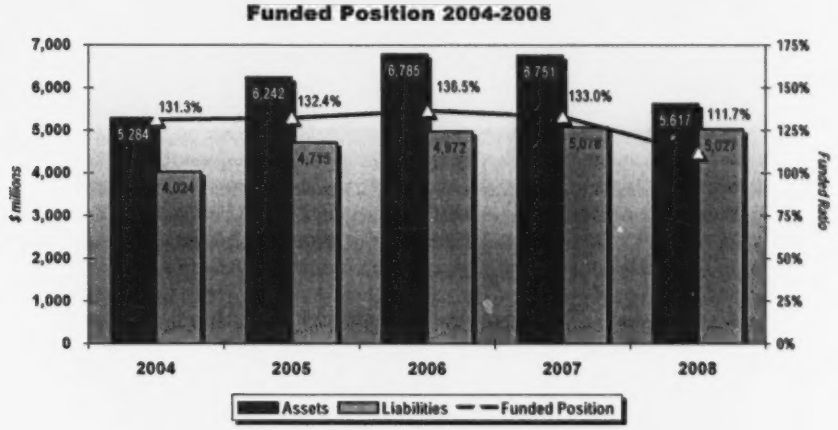
The table presents the major changes in Funded Position and the ending balance as at December 31, 2008:

($ millions)	2008 Opening	2008 Change	2008 Ending
Accumulated operating surplus for the year	$ 1,007.3	$ (513.8)	$ 493.5
ODR maintenance funding	-	10.4	10.4
Accumulated operating surplus	1,007.3	(503.4)	503.9
Net unrealized (losses) gains on investments	361.3	(569.2)	(207.9)
Fund Balance	1,368.6	(1,072.6)	296.0
Occupational Disease Reserve	304.7	(10.4)	294.3
Funded Position	$ 1,673.3	$ (1,083.0)	$ 590.3

As at December 31, 2008, the Funded Ratio (total assets to total liabilities) was 111.7%, compared to 133.0% at the end of 2007. Viewed from another perspective, WCB has total assets of $5.6 billion to cover its total estimated liabilities of $5.0 billion. This decrease in Funded Ratio is the result of negative investment returns in 2008. While WCB's Funded Position remains positive, the current level of funding is below the target level recommended in the Funding Policy and therefore WCB will not be paying a special dividend in 2009. If the Funded Position does not increase above the minimum target level (114%) by the end of 2009, a special premium levy may be necessary.



The chart below presents the Funded Position from 2004 through 2008.



Risk Management

Oversight

Under WCB's corporate governance structure, the Board of Directors is responsible for overall risk management. The executive team, which has a mandate to identify and manage enterprise level risk, is assisted by the Risk Management Committee, composed of a group of senior managers with responsibility for risk identification, assessment and mitigation at the operating level.

Risk Assessment

WCB has three primary processes for managing risk in the corporation. First, risk management is embedded as an inherent function of day-to-day business. Projects or changes to business processes must go through a documented risk analysis to assess risk and identify mitigation plans and controls to lessen the likelihood or impact of these risks. The second process is to complete a systematic and comprehensive risk assessment of emerging corporate risks as they develop throughout the year. Finally, WCB also completes an annual corporate risk assessment that engages departmental management teams and senior managers to develop a comprehensive organizational risk register. The executive team

prioritizes those risks with the highest-potential residual impact to WCB and selects a number for comprehensive risk assessment and mitigation.

Significant Risks

WCB has identified the following risk exposures that could have significant impact on the organization and its operations.

Benefit cost risk

Many of WCB's current and future claims are subject to external factors that have potentially significant impacts on the amount and duration of related benefit costs. These risks and uncertainties are driven largely by economic conditions, such as escalation of health care costs and wage growth; however, other factors may arise through administrative precedents established through the appeals process, legislative changes, or from new medical findings for occupational disease, among others. All these factors add significant uncertainty to WCB's cost structure and may impose, over time, significant pressures on the funding model.

Fraud-related risk

Every year, WCB collects approximately one billion dollars in premium revenue and distributes or reserves a similar amount for claim benefits and administrative costs. The magnitude of these costs and the number of individuals and companies involved in these processes – approximately 140,000 employers, 184,000 claimants and thousands of service providers – creates inherent risk for fraud. WCB employs an extensive audit program used to monitor the organization's ability to protect against fraud and implements additional controls, as required, to strengthen WCB's management of fraud risk.

Funding risk

Managing the components of WCB's overall Funded Position (Fund Balance and ODR) is a complex process that involves forecasting, liability projection, investment management and operational performance. Although these processes are within management's influence or control, many of the assumptions used in forecasting involve significant uncertainty regarding the future. Asset-liability management is being enhanced to provide better systems, tools, processes and information to enhance forecasting, financial-planning and decision-making processes within WCB.

Investment risk

In its investment portfolio, WCB is exposed to financial risk, which includes market and credit risk, among others. Market risk is the risk that the fair value of investments and/or associated cash flows may change because of changing general economic conditions or factors specific to individual securities. Credit risk is the potential of a debt issuer or counterparty in a financial contract to default on its obligation to WCB. Details of financial risks related to investments are discussed in Note 7, Investment Risk Management, in the accompanying financial statements and notes.

Premium risk

WCB has exposure to premium risk, which is the risk that premiums set for the coming fiscal period will not be sufficient to cover the operating costs in that year. These risks and uncertainties are largely driven by provincial economic conditions, such as employment growth and wage escalation. To manage premium-pricing risk, WCB has instituted a comprehensive forecasting program that leverages widely accepted economic-forecasting sources, such as the Conference Board of Canada.

Technology risk

To support its core business processes, WCB uses a number of information systems for processing transactions and maintaining claimant and employer information. If these systems were to fail or be compromised, significant disruption to business processes and customer service could result. To mitigate technology risk, WCB maintains a business continuity plan, system controls and backup systems to prevent processing failures and provides extensive training to develop internal system expertise.

Implications of Accounting Policies and Estimates

The adoption of accounting policies in accordance with Canadian generally accepted accounting principles (GAAP) requires that management make judgments, assumptions and estimates that could significantly affect the results of operations and the WCB's financial condition. The following discusses those significant accounting policies that entail significant use of judgments and estimates that may have a material effect on current and future financial statements.

Premiums

In advance of the fiscal year, and based on Funding Policy and projections in the Five-Year Plan, WCB estimates the total premium amount necessary to cover estimated claims costs, transfer levies, administration expenses and funding requirements. Because premium rates are set well in advance of revenue being realized, they reflect macroeconomic and business assumptions that will likely change before and during the fiscal period. Consequently, the premiums collected may be more or less than sufficient to cover estimated funding requirements, and the difference could be significant under dynamic business conditions.

Investments

Investment assets are financial instruments designated as available-for-sale securities, whose primary purpose is to maintain capital and generate investment income over the long term. Because WCB accounts for investments at fair value, which reflects realizable market value, this accounting policy could lead to significant volatility in the balance sheet in turbulent capital markets. Any funding ratios based on asset values would therefore be volatile as well.

Derivatives

The fair value of a derivative contract is its change in value with respect to the change in the underlying security or reference index to which the contract is linked. Gains and losses on both outstanding and closed derivative contracts are recognized in income in the periods in which they arose. Since the fair value of a derivative is exposed to market changes, the underlying derivative positions could be volatile as well.

Asset capitalization and amortization

The acquisition or development costs of long-lived assets are amortized over their useful lives. Selection of applicable costs to capitalize and an estimate of the useful life of an asset, both require application of professional judgment within the context of corporate policy and industry practice. Furthermore, future periods will be affected by the estimate of useful life and choice of amortization pattern, which determine the timing and amount of expense recognized in each of those future periods.

Asset impairment

Accounting standards prescribe a test for impairment whenever there is objective evidence that the current carrying value of an asset may not be recoverable, and at least annually. Although the standards provide broad guidance on when and how impairment losses should be recognized and measured, the interpretation and assessment of impairment remains a matter of professional judgment. For investment assets, management judgment comes into play in assessing the extent and severity of the decline, the risk profile and prospects of the issuer, and WCB's ability and intent to hold a particular security until anticipated recovery.

Impairment testing of non-financial assets such as property, plant and equipment and intangible assets, also involves judgment in establishing the test parameters and evaluating the available evidence to support a finding of impairment. Considering market or other demand factors, future business objectives affecting expected utilization of the asset, and other relevant and objective evidence, management concludes on the likelihood of recoverability over the remaining useful life.

Valuation of claim benefit liabilities

WCB has significant obligations extending well into the future for compensation benefits to injured workers. WCB applies the actuarial present-value methodology for its claim benefit liabilities. The actuarial process projects benefit cost streams into the future and discounts them to present value using a discount rate linked to the return on investment assets funding those liabilities. Measurement uncertainty is high because assumptions regarding the amount, timing and duration of the benefit commitments and future return on assets are difficult to predict accurately and are influenced by external factors outside management's control. Consequently, the selection of one assumption over another in estimating claim benefit liabilities could have a material impact on the liability valuation.

Governance and Compliance

Legislative authority

Under the authority of the *Workers' Compensation Act*, WCB is a provincial board-governed organization that operates independently while reporting to the Minister of Employment and Immigration (the Minister).

Accountability Framework reporting

Through consultation with the Minister and stakeholders, the Accountability Framework was approved in 2002 to provide Albertans with a set of performance measures that compare actual WCB results against established standards and/or industry benchmarks. These measures cover such areas of WCB operations as communications with stakeholders, client satisfaction, consistency, clarity and fairness of claim decisions, timeliness and effectiveness of WCB services and financial capability and effectiveness of injury prevention programs. The Auditor General reviews the reported measures for completeness, comparability and clarity. The 2008 Accountability Framework Report can be viewed at http://www.wcb.ab.ca.

Internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR) to provide reasonable assurance regarding the reliability of the entity's financial reporting and the preparation of its financial statements in accordance with generally accepted accounting principles. WCB has developed a framework and plan for the overall ICOFR program, which is anticipated to require several years to complete. The framework is based on best practices under the COSO[4] and COBIT[5] frameworks. The ICOFR program is assisted by WCB's Management Audit Services group and is co-ordinated with the Office of the Auditor General with respect to integration with the annual financial audit.

In 2008, the ICOFR program progressed further, with completion of the claim benefit liability control assessment. In addition, the annual update of the information technology and general entity level controls was completed.

Business planning

An important aspect of the financial planning and budgeting is its linkage to WCB's strategic plan and the resulting corporate objectives developed each year in support of the strategic plan. These objectives and the related performance indicators set the direction for the organization and identify the significant areas of focus for the coming year. The 2009 Budget and 2009–2013 Financial Plan establishes the foundation for appropriate resource allocation for attaining the corporate objectives. A copy of the plan can be viewed at http://www.wcb.ab.ca.

[4] Committee of Sponsoring Organizations of the Treadway Commission, which developed a governance framework for internal control

[5] Control Objectives for Information and Related Technology, a collection of best practices for IT governance, control and assurance

Emerging Issues

Future Accounting Policy Changes

Intangible assets

On January 1, 2009, WCB will adopt the provisions of new CICA Handbook Section 3064 Goodwill and Intangible Assets, issued in February 2008 and effective for fiscal periods beginning on or after October 1, 2008. While Section 3064 focuses primarily on recognition and measurement for goodwill, the primary significance for WCB concerns the new provisions for internally generated intangible assets (i.e., internal software development). Although the adoption of Section 3064 will affect accounting processes for internal software development at WCB, it is not expected to have a material effect on WCB's operating results or financial position.

Adoption of International Financial Reporting Standards

In 2008, the Canadian Accounting Standards Board (AcSB) confirmed that the changeover date for adoption of International Financial Reporting Standards (IFRS) would be January 1, 2011. Ideally, all changes to accounting processes and systems should be completed by Q4 2009 in order to start compiling comparative IFRS results beginning January 1, 2010.

In preparation for transitioning to IFRS, WCB established a convergence program, formed an executive steering committee and an implementation committee, and launched several subprojects to address the more significant accounting and business processes.

As at December 31, 2008, the plan is on track, having completed the planning phase of the initiative, and is currently in the early stages of the implementation phase. Several key accounting policy elections are close to being finalized. Since WCB has not finished the process of evaluating the impact of adopting IFRS, the impact on financial results is not yet determinable.

The table below presents the key IFRS program phases and activities along with their status.

IFRS Convergence Plan

Assessment as at December 31, 2008

	Key Activity	Milestone	Target	Status
Change Management Activities (Communication, education & process change)	**Planning**			
	High level planning and diagnostic	Develop overall strategy and plan	2007-2008	Completed
	Implementation			
	Detailed GAAP diagnostic and analysis	Develop IFRS accounting policies	Q4 2009	In progress
	Financial reporting changes	Design and build internal and external financial reporting components	Q4 2010	In progress
	Information technology	Ensure that financial information gathering, processing, and reporting systems and processes are IFRS compliant	2009–2010	In progress
	Conversion	Capture comparative financial reporting data	Q1 2010	Not started
	Integration			
	Final implementation	Embed IFRS changes throughout systems and processes	Q4 2011	Not started

Looking Ahead

The challenge for WCB in the near term will be to manage the business in light of economic uncertainty and protect the investment portfolio against escalating risk in turbulent markets. To achieve these goals, WCB's business priorities are to build on those operational and financial strategies that have contributed to organizational success. Management will closely monitor economic and operating trends to develop proactive and measured responses to emerging business issues.

Economic outlook

With the uncertainty in all major global economies, GDP growth is expected to be modest or may even decline. The loss of confidence in the consumer-driven U.S. economy will continue to have significant repercussions for the Canadian economy. The Conference Board of Canada is expecting a decline in real GDP of 0.5% in 2009, while Alberta experienced real GDP growth of 0.6%[6] in 2008, down from 1.1% in 2007; however, the key economic indicators with significant implications for WCB are Alberta employment and wage growth.

The Conference Board of Canada's forecast slowdown for the Alberta economy in 2009 is not expected to have a direct effect on WCB's outlook for planning purposes. Over the past few years, the Conference Board's predictions of Alberta's economic growth have differed markedly from WCB's experience and forecasts as the population of workers covered by WCB has experienced more significant wage growth changes than the overall provincial average. WCB is projecting employment growth of 2.25%, up from a 1.3% increase in 2008, and a 0.5% increase in insurable earnings for 2009, down from 10.0% in 2008.

Investment outlook

From 2003 to 2007, the investment portfolio earned positive rates of return, but for 2008, the market downturn led to a return of negative 15.1%. From the current starting point, returns for equities and non-government bonds are likely to be reasonably strong over the coming three to five years. In the near term, volatility is at extreme levels and significant uncertainty exists around the prospects and timing of a recovery in capital markets. The total portfolio return for 2009 has been set at 6.4% for planning purposes; however, continued market volatility suggests that the actual returns for 2009 may be significantly different from the planning assumptions.

As always, the uncertainty of market returns presents difficult challenges for maintaining financial stability. The investment portfolio strategy has a balanced focus on minimizing volatility while protecting returns through asset diversification and rigorous manager selection.

Business outlook

Customer operations

On the customer operations front, WCB will continue to look for opportunities to improve outcomes that will help injured workers return to their jobs and reward employers who are able to manage costs through prevention and modified work solutions.

Being able to maintain current service levels and improving on an already high level of quality will be challenging. Escalating costs, a tighter labour market and an uncertain economy will offer new challenges. Focusing on injury recovery, capitalizing on modified work opportunities and early and proactive vocational rehabilitation interventions will be key drivers in fulfilling the return-to-work mandate into 2009 and beyond. The proven effectiveness of WCB's service-delivery model is a solid platform for continued success, which relies on the dedication and professionalism of its staff to deliver services compassionately and in a timely and effective manner.

Together with its stakeholders, WCB continues to be successful in injury management, having reached the lowest time-lost-claim rate per 100 covered workers in its history; however, this declining trend is likely

[6] *Conference Board of Canada Forecast Winter 2009* as cited in Alberta Finance's *Current Economic Indicators by Province* for the week ended February 13, 2009

levelling off. The leadership team remains cautiously optimistic that some improvement is still attainable. Working with stakeholders, WCB will continue to capitalize on modified-work opportunities that are both safe and meaningful for injured workers. The right modified-work opportunities have helped injured workers take advantage of on-the-job rehabilitation while giving employers the chance to keep their valued employees. For 2009, modified-work-only claims are expected to decrease by 1.5%, and time-lost claim volume is expected to decline by 2.7% to 32,100, with the number of covered workers increasing to 1.84 million, a 0.5% increase. Claim duration is projected to remain stable.

Financial management

Given the uncertainty and risks associated with integrated global markets, the ongoing challenge for WCB financial management is to maintain a planning and decision-making process that protects the integrity and stability of the Accident Fund.

In 2008, WCB engaged its external actuary to conduct an asset-liability study using various economic scenarios to test WCB's long-term investment policy asset mix. This modelling study identified possible changes to the Investment Policy that could reduce funding volatility. These potential changes will be examined further in 2009.

WCB will continue to execute effective financial management strategies by enhancing the existing asset-liability management framework. This framework represents a holistic approach to financial analysis, planning and decision-making.

2009 premium rate

In 2009, the average premium rate will remain the same as in 2008 at $1.32 per $100.00 of insurable earnings. This average premium rate is attributable to slight declines in accident frequency offset by slight inflationary increases in claim costs. In addition, insurable earnings are forecast to grow at a slower pace in 2009 as the growth in Alberta's economy slows.

With all Workers' Compensation Boards in Canada having announced their premium rates for 2009, WCB-Alberta continues to have the lowest average rate. Alberta's premium rates have been among the lowest in Canada throughout the past decade.

Outlook for financial condition

At the end of 2008, WCB's funded ratio was 111.7% (assets over liabilities). While WCB remains in a positive funded position, the current level of funding is below the target funding level in the Funding Policy and therefore WCB will not be paying a special dividend in 2009. If the Funded Position does not increase above the minimum target level (114%) by the end of 2009, a special premium levy may be necessary. Given economic uncertainty and the volatility of investment returns, it is difficult to determine the likelihood or amount of a special premium levy at this time.

Facing the future

Looking toward the future, Alberta's strong compensation system faces some challenges:

- Recent events in financial markets are having a material impact on overall funding levels, which reinforces the need to continue to deploy effective financial management strategies.
- Getting injured workers back to work through modified-work placement could be challenging within a shrinking labour market. WCB is committed to negotiating modified-work placements that are both safe and meaningful for injured workers.

WCB is prepared to face these challenges through ongoing stakeholder consultation on key issues, ongoing innovation of its business, development of online systems enabling its clients to transact their WCB business simply and efficiently, and employee retention and development strategies aimed at ensuring that the organization continues to be one of Alberta's top employers.

Together with its partners, WCB will continue to look for ways to minimize the impact of workplace illness and injury for Albertans and their employers. Through clear focus on the core business and commitment to its core values, WCB remains well poised to address the challenges of an uncertain future.

Responsibility for Financial Reporting

The financial statements of the Workers' Compensation Board – Alberta were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The Board of Directors is responsible for overseeing management in the performance of financial reporting responsibilities and has approved the financial statements included in the annual report.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements and meets periodically with management, external auditors, and actuaries concerning internal controls and all other matters relating to financial reporting.

Ecklar Ltd. has been appointed as the independent consulting actuary to the WCB. Their role is to complete an independent actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB and to report thereon in accordance with generally accepted actuarial practice.

The Office of the Auditor General, the independent auditor of the WCB, has performed an independent audit of the financial statements of the WCB in accordance with Canadian generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and the opinion expressed.

Original signed by

David B. Carpenter, F.C.A.
Chair, Board of Directors
Workers' Compensation Board – Alberta

Guy R. Kerr
President & Chief Executive Officer
Workers' Compensation Board – Alberta

Ron J. Helmhold, C.A.
Chief Financial Officer
Workers' Compensation Board – Alberta

Auditor's Report

To the Board of Directors of the Workers' Compensation Board – Alberta

I have audited the balance sheet of the Workers' Compensation Board – Alberta as at December 31, 2008 and the statements of operations, comprehensive loss, changes in funded position, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2008 and the results of its operations, results of its comprehensive loss, movements in funded position, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Fred J. Dunn]
FCA

Auditor General

Edmonton, Alberta
April 21, 2009

Actuarial Statement of Opinion on the Valuation of the Benefit Liabilities of the Workers' Compensation Board – Alberta as at December 31, 2008

Eckler
CONSULTANTS + ACTUARIES

I have completed the actuarial valuation of the benefit liabilities of the Workers' Compensation Board - Alberta (WCB) for the financial statements of the WCB as at December 31, 2008. In my opinion, the actuarial liabilities of $4,905.7 million make reasonable provision for future payments for short term disability, vocational rehabilitation, long term disability, survivor and health care benefits, as well as claims administration costs, on account of claims that occurred on or before December 31, 2008; it does not include a provision for future claims arising from latent occupational disease or for benefits and payments that are on a self-insured basis.

The valuation was based on the provisions of the Workers' Compensation Act of Alberta and on the WCB's policies and administrative practices in effect at the time of the valuation. The impact of policy changes regarding survivor benefits for spouses and adult interdependent partners who are not able to become gainfully employed and the recent increase to the travel and accommodation allowances has been considered.

The data on which the valuation is based were provided by the WCB; I applied such checks of reasonableness of the data as I considered appropriate, and have concluded that the data are sufficiently reliable to permit a realistic valuation of the liabilities and that the data are consistent with WCB's financial statements. The liabilities included herein have been computed by the WCB in accordance with methods and assumptions approved by me; I have made such tests of the calculations that I considered necessary.

The economic assumptions adopted for purposes of computing the liabilities are consistent with the WCB's funding and investment policies. For this valuation, a real rate of return of 3.00% was used to discount expected payments subject to inflation. Benefits subject to cost of living adjustments (COLA) were discounted at 3.50%, making implicit provision for the future indexing of benefits on the assumption that investment earnings on WCB's assets will exceed increases in the Consumer Price Index (CPI) by 3.00% per year, over the long term, and that COLA will be provided at CPI minus 0.50%. Other economic assumptions underlying the calculations are annual changes in CPI of 2.50%, as well as health care costs and vocational rehabilitation benefits assumed to grow at annual rates of 6.75% and 3.50% respectively; these rates are the same as those used in the previous valuation.

The methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. Projections of future claim payments and awards have been made using factors developed from the WCB's claims experience, mortality and other assumptions. The main changes made to the actuarial basis were to the assumptions used to value the economic loss payments, the survivor benefits and the claims administration liability. All the changes in methodologies and assumptions have resulted in an overall increase of $52.6 million in liabilities.

Details of the data, actuarial assumptions, valuation methods and analysis of results are set out in my actuarial report as at December 31, 2008, of which this statement of opinion forms part.

In my opinion, the data on which the valuation is based are sufficient and reliable, the assumptions, in aggregate, are appropriate for the purposes of the valuation, and the methods employed are consistent with sound actuarial principles. This report has been prepared and my opinion given in accordance with accepted actuarial practice.

Original signed by
Richard Larouche, F.S.A., F.C.I.A.

Actuary Eckler Ltd. March 13, 2009

The Workers' Compensation Board – Alberta
Balance Sheet
As at December 31

($ thousands)

	Notes	2008	2007
ASSETS			
Cash and cash equivalents	4	$ 95,364	$ 160,443
Receivables	5	39,036	64,785
Investments	6, 7	5,423,738	6,471,335
Property, plant and equipment	8	59,078	54,432
		$ 5,617,216	$ 6,750,995
LIABILITIES			
Payables and accruals	9	$ 116,813	$ 122,681
Dividends payable	10	4,373	348,745
Claim benefit liabilities	11	4,905,700	4,606,300
		5,026,886	5,077,726
FUNDED POSITION	3		
Fund Balance		296,030	1,368,569
Occupational Disease Reserve		294,300	304,700
		590,330	1,673,269
		$ 5,617,216	$ 6,750,995
COMMITMENTS	21		
CONTINGENCIES AND INDEMNIFICATION	22		

Approved by the Board of Directors:

Original signed by

David B. Carpenter, FCA
Chair, Board of Directors

Guy R. Kerr
President and Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

The Workers' Compensation Board – Alberta

Statement of Operations

Year ended December 31

($ thousands)

	Notes	2008		2007
		Budget	Actual	Actual
REVENUE				
Premium	13	$ 971,384	$ 993,767	$ 977,725
Investment	14	363,223	(421,333)	567,975
Other	15	501	1,905	950
		1,335,108	574,339	1,546,650
EXPENSES				
Claim costs	11	984,746	971,635	855,264
Administration	16	83,427	82,131	72,761
Injury reduction	19	34,448	34,379	31,076
		1,102,621	1,088,145	959,101
OPERATING (DEFICIT) SURPLUS		$ 232,487	$ (513,806)	$ 587,549

The accompanying notes are an integral part of these financial statements.

The Workers' Compensation Board – Alberta

Statement of Comprehensive Loss

Year ended December 31

($ thousands)

	Notes	2008	2007
OPERATING (DEFICIT) SURPLUS		**$ (513,806)**	$ 587,549
OTHER COMPREHENSIVE LOSS			
Net unrealized (losses) on available-for-sale investments arising during the year		**(952,329)**	(159,129)
Net investment losses (gains) realized during the year and reported in the statement of operations		**236,067**	(238,189)
Loss realized during the year from write-down of impaired investments and reported in the statement of operations	14	**147,061**	6,435
		(569,201)	(390,883)
TOTAL COMPREHENSIVE (LOSS) INCOME		**$ (1,083,007)**	$ 196,666

The accompanying notes are an integral part of these financial statements.

The Workers' Compensation Board – Alberta

Statement of Changes in Funded Position

Year ended December 31

($ thousands)

	Notes	2008	2007
FUND BALANCE			
Accumulated operating surplus			
Balance, beginning of year		**$ 1,007,321**	$ 762,140
Operating (deficit) surplus		**(513,806)**	587,549
Dividends	10	**68**	(336,068)
Transfer from (to) occupational disease reserve		**10,400**	(6,300)
		503,983	1,007,321
Accumulated other comprehensive (loss) income			
Balance, beginning of year		**361,248**	752,131
Other comprehensive loss		**(569,201)**	(390,883)
	6	**(207,953)**	361,248
Fund Balance, end of year		**296,030**	1,368,569
OCCUPATIONAL DISEASE RESERVE			
Balance, beginning of year		**304,700**	298,400
Transfer (to) from accumulated operating surplus		**(10,400)**	6,300
		294,300	304,700
		$ 590,330	$ 1,673,269

The accompanying notes are an integral part of these financial statements.

The Workers' Compensation Board – Alberta

Statement of Cash Flows

Year ended December 31

($ thousands)

	Notes	2008 Budget	2008 Actual	2007 Actual
OPERATING ACTIVITIES				
Cash inflows				
Employer premiums		$ 985,986	$ 1,015,019	$1,030,368
Dividend, interest and derivative income		130,760	53,010	306,577
Realized net investment (losses) gains		232,463	(236,067)	238,919
Other		1,172	1,137	1,354
Cash outflows				
Benefits to claimants and/or third parties on their behalf		(641,616)	(566,453)	(542,507)
Employee and supplier payments for administrative and other goods and services		(167,057)	(179,345)	(175,899)
Injury reduction program funding		(34,448)	(34,381)	(31,074)
Net cash from operating activities		507,260	52,920	827,738
INVESTING ACTIVITIES				
Cash outflows				
Net sale (purchase) of investments		(23,460)	240,121	(288,013)
Net purchase of capital assets		(15,144)	(13,816)	(10,513)
Net cash from (used for) investing activities		(38,604)	226,305	(298,526)
FUNDING POLICY ACTIVITIES				
Cash outflows				
Special dividends to employers	10	(469,656)	(344,304)	(430,667)
Net cash used for Funding Policy activities		(469,656)	(344,304)	(430,667)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1,000)	(65,079)	98,545
Cash and cash equivalents, beginning of year		67,000	160,443	61,898
CASH AND CASH EQUIVALENTS, END OF YEAR		$ 66,000	$ 95,364	$ 160,443

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

(thousands of dollars unless stated otherwise)

1. Significant Accounting Policies

Basis of presentation

The financial statements of the Workers' Compensation Board – Alberta (WCB) have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

Accounting estimates and measurement uncertainty

The preparation of financial statements in conformity with GAAP requires the use of estimates that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods presented.

Some accounting measurements require management's best estimates, based on assumptions as at the financial statement date, that reflect the most probable set of economic conditions and planned courses of action. Claim benefit liabilities, the reserve for occupational disease, write-downs of investments, the Partnerships in Injury Reduction (PIR) accrual, and accrued premium revenue are the most significant items that are based on accounting estimates. Actual results could differ from the estimates determined by management in these financial statements, and these differences, which may be material, could require adjustment in subsequent reporting periods.

Comprehensive income

Comprehensive income includes current operating deficit and other comprehensive income (OCI). Other comprehensive income is comprised of unrealized fair-value gains and losses from investments, less previously deferred unrealized gains and losses that have been realized during the period through sale or impairment loss write-down and recognized in current income. Accumulated other comprehensive income (AOCI) includes unrealized fair-value gains and losses arising from holding available-for-sale investments. When the underlying securities are subsequently sold or written down, the resulting realized gain or loss is released from AOCI into investment income in the statement of operations.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the historical exchange rate. Foreign-currency transactions are translated into Canadian dollars using the exchange rate in effect when those transactions occur. Foreign currency gains and losses are recognized in income in the period in which they arise.

Cash and cash equivalents

Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Cash and short-term investments held by custodians are not available for general use, and accordingly are included in investments.

Investments

Portfolio investments, which comprise securities held for long-term capital appreciation and generation of income, are reported at fair value. Fixed income investments, marketable equity securities, and real estate and infrastructure investments are classified as available-for-sale investments. Derivatives used to manage asset and risk exposures are classified as held-for-trading instruments. Investments are initially recognized at acquisition cost (including premiums or discounts at date of purchase) and subsequently measured at fair value at each reporting date. WCB utilizes trade-date accounting (date when

transactions are entered into rather than when they are settled) for all purchases and sales of investments.

Valuation of financial assets

The basis of measurement for financial assets is fair value as at the reporting date as follows:

- Publicly traded securities are based on their closing market prices or the average of the latest bid/ask prices quoted by independent securities valuation companies.
- Non-publicly traded private investment in infrastructure and real estate pooled funds are valued at the net asset values of the funds, which reflect the fair values of fund assets less fund liabilities.
- The fair value of real estate funds are based on independent annual appraisals, net of any liabilities against the fund assets.
- The fair value of the commercial mortgages fund is based on the market interest rate spread over Bank of Canada bonds with a similar term to maturity.

Valuation of derivatives

Derivatives are financial contracts whose price is dependent on the price of one or more underlying securities, reference rates or indices. The fair value of WCB's derivative contracts is determined by the following methods:

- Interest rate swaps and cross-currency swaps are valued based on discounted cash flows using current market yields and exchange rates.
- Forward foreign-exchange contracts and futures contracts are valued based on quoted market prices.
- Bond index swaps are valued based on changes in the appropriate market index net of accrued floating-rate interest.
- Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities.
- Swap option contracts are valued based on discounted cash flows using current market yields and volatility parameters that measure changes in the underlying swaps.

Investment income

Recognition and measurement

WCB recognizes interest revenue as earned, dividends when declared, and investment gains and losses when realized. Interest revenue is recognized over the term of a debt security using the effective interest rate method, and includes amortization of any premium or discount recognized at date of purchase. For real-return bonds, interest revenue also includes amortization, using the effective interest rate method, of adjustments to principal related to changes in inflation. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Unrealized gains and losses on available-for-sale securities are recorded in other comprehensive income.

Derivatives are classified as held-for-trading instruments, and as such, changes in fair value resulting from marking derivative contracts to market are recognized in investment income.

Transaction costs are included in the acquisition cost of individual securities. Direct investment expenses such as external custodial and management fees, as well as internal investment management expenses, are netted against investment income.

Derivative income

Included in investment income are changes in fair value resulting from marking derivative contracts to market. WCB's investment portfolio contains certain derivatives that meet hedge accounting requirements. Hedge accounting for these investments is optional, but the ability to apply it is contingent on satisfying rigorous technical requirements with respect to designation, documentation and

effectiveness. WCB does not apply hedge accounting to the hedging relationships in its segregated investments, but uses hedge accounting indirectly in pooled investments.

Impairment of financial instruments

When the fair value of an investment falls below its cost, and the decline is determined to be other-than-temporary, a loss equivalent to the difference between cost and current fair value is recorded against investment income in the statement of operations. The assessment of other-than-temporary impairment considers the extent of the unrealized loss, the length of time that the security has been in a loss position, the financial condition of the issuer and WCB's intent to hold the security to any anticipated recovery.

Premium revenue

Premiums are billed when employers report their insurable earnings for the current premium year. For employers who have not reported, premiums are estimated based on historical experience, and any difference between actual and estimated premiums is adjusted the following year. Premium revenue is net of the Partnerships in Injury Reduction (PIR) rebate.

Property, plant and equipment

Property, plant and equipment are recorded at cost and amortized over their estimated useful lives. Amortization is calculated using the following annual rates and methods that best reflect the realization of benefits:

Buildings		2.5% straight-line
Equipment	– computer	35% declining balance
	– furniture and other	15% declining balance
	– vehicles	20% straight-line
Computer software		20% straight-line

WCB evaluates its property, plant and equipment for impairment due to obsolescence, redundancy, deterioration, loss or reduction in future service potential. WCB writes down the carrying value to fair value and records the write-down amount as amortization expense.

Claim benefit liabilities

Claim benefit liabilities represent the actuarial present value, as estimated by WCB's external actuary, of all future benefit payments and claim administration costs that have been incurred in respect of current and prior years' injuries. Claim benefit liabilities have been estimated in accordance with accepted actuarial practice established by the Canadian Institute of Actuaries.

Employee future benefits

Permanent employees of WCB participate in defined benefit pension plans sponsored by the Province of Alberta. As these multi-employer plans meet the accounting requirements for treatment as defined contribution plans, the current year employer contributions are accounted for as current pension expense.

For senior management, WCB also sponsors a supplemental retirement income plan to provide post-employment benefits in excess of statutory limits. The supplemental plan is a defined benefit plan whose costs are actuarially determined each year using the projected benefit method prorated on service. Actuarial gains and losses arising from the annual valuation are not deferred and amortized, but recognized in benefit plan expense as they arise.

In addition to post-retirement benefits, WCB offers an income continuance plan for long-term disability to all permanent employees. The costs of providing such benefits are actuarially determined by WCB's benefit consultants. Valuation of the liability may result in a net actuarial gain or loss. The gain or loss that is greater than 10% of the benefit obligation is amortized to benefit plan expense over the estimated average expected remaining service period of employees.

2. Financial Reporting Changes

Current disclosure changes

Section 1535 Capital Disclosures

On January 1, 2008, WCB adopted the provisions of new CICA Handbook Section 1535 *Capital Disclosures*. The new standard requires an entity to describe what it manages as capital, the nature of externally imposed capital requirements, if any, and how the entity is meeting its objectives for managing capital. See Note 3 and the 2008 Management Discussion and Analysis for further details.

Future accounting policy changes

Section 3064 Goodwill and Intangible Assets

On January 1, 2009, WCB will adopt the provisions of new CICA Handbook Section 3064 *Goodwill and Intangible Assets*. The new standard contains new recognition and measurement criteria for internally generated computer application software and separate presentation of intangible assets on the balance sheet. Although the adoption of Section 3064 will affect accounting processes for internal software development, it is not expected to materially affect WCB's operating results or financial position.

Adoption of International Financial Reporting Standards

In February 2008, Canada's Accounting Standards Board confirmed that the changeover date for adoption of International Financial Reporting Standards (IFRS) by publicly accountable enterprises will be January 1, 2011. Changes to processes and systems are underway in order to develop comparative IFRS financial results for 2010. The 2008 Management Discussion and Analysis provides details on WCB's plans for adoption of IFRS, together with an assessment of readiness for 2010 and 2011.

3. Funding Basis

Legislative authority

WCB operates under the authority of the *Workers' Compensation Act* (the *Act*), Revised Statutes of Alberta 2000, Chapter W-15, as amended.

Accident Fund

The *Act* stipulates the creation of an Accident Fund (the Fund) with sufficient funds to pay present and future compensation. The Fund is fully funded, when total fund assets equal or exceed total liabilities. This Funded Position (or net assets) represents the current funding status of the Fund. The Funded Position is maintained in two reserves within the Accident Fund: the Fund Balance and the Occupational Disease Reserve (ODR).

Fund Balance consists of accumulated net operating surpluses/deficits and accumulated other comprehensive income, which holds unrealized gains and losses on investments.

The ODR was established to provide for costs arising from latent occupational injury or disease where a causal link to the workplace has not been established, but may be established in the future. No provision against income has been made for future claims arising from such injury or disease because the determination of such claims cannot be reasonably estimated. The ODR is maintained at a percentage of claim benefit liabilities through a transfer from or to the Fund Balance.

Fund Management

Since the *Act* does not provide for an ownership-based capital structure, WCB views its available capital resources as synonymous with its Funded Position. The primary objective in managing Funded Position is to mitigate the risk of being unfunded, while a secondary objective is to minimize premium rate volatility caused by investment risk. WCB manages the financial status of the Accident Fund by monitoring Funded Position and making funding decisions in accordance with the Funding Policy.

The Funding Policy sets a target zone of 114% to 128% for the Funded Ratio (total assets divided by total liabilities) to guide funding decisions. When the Funded Ratio falls below the target zone, special funding requirements are included in premium rates. When the Funded Ratio is above the target zone, special dividends may be paid.

($ thousands)	2008	2007
Accident Fund		
Total assets	**$ 5,617,216**	$ 6,750,995
Less:		
Total liabilities	**5,026,886**	5,077,726
Funded Position	**$ 590,330**	$ 1,673,269
Funded Ratio	***111.7%***	*133.0%*

4. Cash and Cash Equivalents

($ thousands)	2008	2007
Cash in transit and in banks	**$ 318**	$ 1,132
Cash equivalents	**95,046**	159,311
	$ 95,364	$ 160,443

Cash equivalents are invested in a short-term pooled investment fund with an annual return of 3.5% (2007 – 4.88%).

5. Receivables

($ thousands)	2008	2007
Premium		
Assessed	**$ 32,723**	$ 38,269
Accrued	**1,477**	22,259
	34,200	60,528
Other	**4,836**	4,257
	$ 39,036	$ 64,785

Accrued premiums receivable represent estimated premiums related to employers that had not reported their insurable earnings by year-end. See Note 13 for details concerning the premium accrual.

6. Investments

Fair value of financial instruments

The table below presents the cost and carrying amount at fair value for WCB's investments as at December 31, 2008, together with the change in fair value from their cost base recognized through other comprehensive income.

($ thousands)	2008					2007		
	Adjusted Cost [1]	Unrealized Gains	Unrealized Losses	AOCI	Fair Value	Adjusted Cost [1]	AOCI	Fair Value
Available-for-sale investments								
Fixed income								
Nominal bonds:								
Canada	$ 2,292,834	$ 8,573	$ (59,731)	$ (51,158)	$ 2,241,676	$ 2,733,618	$ (32,594)	$ 2,701,024
Other markets	131,474	19,698	-	19,698	151,172	49,977	(1,070)	48,907
Mortgages [2]	160,712	-	(1,915)	(1,915)	158,797	21,782	(561)	21,221
	2,585,020	28,271	(61,646)	(33,375)	2,551,645	2,805,377	(34,225)	2,771,152
Equities								
Domestic:								
Canada	496,894	-	(110,892)	(110,892)	386,002	714,439	85,641	800,080
Foreign:								
Global [3]	1,817,371	5,167	(251,033)	(245,866)	1,571,505	1,731,066	124,263	1,855,329
Emerging markets	92,850	-	-	-	92,850	210,902	-	210,902
	2,407,115	5,167	(361,925)	(356,758)	2,050,357	2,656,407	209,904	2,866,311
Inflation-sensitive								
Real estate [4]	342,780	112,858	(686)	112,172	454,952	255,516	111,331	366,847
Infrastructure [5]	14,576	1,753	-	1,753	16,329	-	-	-
Real-return bonds	381,518	68,255	-	68,255	449,773	371,141	74,238	445,379
	738,874	182,866	(686)	182,180	921,054	626,657	185,569	812,226
	5,731,009	216,304	(424,257)	(207,953)	5,523,056	6,088,441	361,248	6,449,689
Derivatives [6]								
Fixed income	-	-	-	-	(6,536)	-	-	1,024
Equities	-	-	-	-	(92,782)	-	-	20,622
	-	-	-	-	(99,318)	-	-	21,646
	$ 5,731,009	$ 216,304	$ (424,257)	$ (207,953)	$ 5,423,738	$ 6,088,441	$ 361,248	$ 6,471,335

[1] Adjusted cost includes the following:
a) the accumulated amortization of discount or premium on fixed income securities; and
b) the written-down value for securities assessed to have an other-than-temporary decline in value.

[2] Mortgages include commercial mortgages and multi-unit mortgages, but do not include single-dwelling residential mortgages.

[3] Global comprises U.S. and Europe, Australasia and Far East mandates.

[4] Real estate comprises pooled funds invested in commercial properties.

[5] Infrastructure consists of a pooled fund invested in infrastructure projects.

[6] Changes in the fair value of segregated fund derivatives is recognized in investment income rather than in AOCI. See Note 7 Investment Risk Management for more details concerning derivatives.

7. Investment Risk Management

Investment governance

The Board of Directors is ultimately responsible for overall governance and strategic direction of the investment portfolio through its review and approval of the Investment Policy and ongoing monitoring of investment performance and compliance.

WCB management is responsible for monitoring investment performance, recommending changes to the Investment Policy and selecting fund managers. WCB retains independent consultants to benchmark the performance of its fund managers, and to advise on the appropriateness and effectiveness of its Investment Policy and practices.

Key financial risks

The primary financial risk for WCB is the risk that, in the long term, returns from its investments will not be sufficient to discharge all obligations arising from its claim liabilities. Risk management for investments needs to be closely aligned with the risk management of liabilities to best manage this funding risk.

WCB's primary risk mitigation strategy is the implementation of its Investment Policy. As determined through an asset/liability study, the Investment Policy target asset mix, and associated risk and return characteristics, have been established to provide guidelines for a broad investment strategy, as well as specific approaches to portfolio management. The Investment Policy also calls for maintaining a well-diversified portfolio, both across and within asset classes, and engaging fund managers who represent a broad range of investment philosophies and styles, all within a rigorous compliance framework.

WCB has identified key investment risks that directly affect the sufficiency of its investments to fund current and future claim obligations:

- **market risks** – these risks include movements in equity market prices, interest rates, credit spreads and foreign currency exchange rates.
- **other investment risks** – these risks relate to the specific composition and management of WCB's portfolio and include liquidity risk, securities lending risk, counterparty default risk and derivatives risk.

The following sections describe these risk drivers, WCB's exposure and mitigation strategies for each risk.

Equity market risk

WCB is exposed to equity market risk, which is the risk that the fair value of its investments in publicly traded shares listed on domestic and foreign exchanges will fluctuate in the future because of price changes. Such price changes are subject to macroeconomic factors and other capital market dynamics, which may affect the market value of individual securities.

WCB's mitigation strategy for equity market risk is disciplined oversight of investment activities within a formal investment control framework that has been reviewed and validated by independent experts, to ensure continuous compliance with approved policies and practices. The target asset mix, which reflects WCB's investment beliefs, objectives and risk tolerance, is the primary method for controlling the exposure to equity market risk.

7. Investment Risk Management - continued

The table below presents the effect on WCB's equity mandates of a significant adverse change[7] in the key risk variable—the portfolio weighted average (asset class) benchmark:

($ thousands)	2008		2007	
Equities	1 std dev	2 std dev	1 std dev	2 std dev
% change in Canadian market benchmark	(15.1%)	(30.1%)	(9.8%)	(19.6%)
Canadian mandate	$ (50,494)	$ (89,306)	$ (71,368)	$ (131,051)
% change in Global market benchmark	(11.3%)	(22.5%)	(9.7%)	(19.3%)
Global mandate	$ (149,653)	$ (271,799)	$ (165,290)	$ (303,840)
% change in Emerging market benchmark	(20.2%)	(40.5%)	(16.1%)	(32.3%)
Emerging markets mandate	$ (15,629)	$ (26,755)	$ (29,348)	$ (51,537)

Interest rate risk

Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates.

The table below presents the effects of a nominal interest rate change of 50 and 100 bps[8] on the respective bond portfolios:

($ thousands)	2008		2007	
+/- bp change in nominal interest rate	+50 bp	+100 bp	+50 bp	+100 bp
Nominal bonds	$ (70,543)	$ (141,087)	$ (91,261)	$ (182,523)
+/- bp change in nominal interest rate	+50 bp	+100 bp	+50 bp	+100 bp
Real return bonds	$ (33,914)	$ (67,828)	$ (35,342)	$ (70,683)

[7] A change is considered to be material when it exceeds the standard deviation (std dev), which measures the variance in a normal probability distribution. One standard deviation covers 68% of all probable outcomes; two standard deviations, 95%. The benchmark deviations are based on 2008 performance data.

[8] One basis point (bp) equals 1/100 of 1%; 50 bps = 50/100 of 1% or 0.5%.

7. Investment Risk Management - continued

The table below presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed income investments exposed to interest rate risk as at December 31, 2008:

	Remaining term to maturity					
($ thousands)	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	2008	2007
Nominal[1] bonds						
Canadian - externally managed	$ 80,279	$ 507,805	$ 479,433	$ 478,798	**$ 1,546,315**	$ 2,172,407
Average effective yields	8.3%	5.8%	6.0%	5.3%	5.9%	5.7%
Other markets	13,196	59,526	43,570	28,435	**144,727**	49,952
Average effective yields	2.9%	3.0%	4.4%	5.7%	4.6%	4.2%
Canadian - internally managed	74,838	260,225	152,715	207,604	**695,382**	528,626
Average effective yields	1.9%	3.3%	5.2%	4.5%	3.9%	4.5%
	168,313	827,556	675,718	714,837	**2,386,424**	2,750,985
Real[1] return bonds						
Canadian - internally managed	7,967	-	-	441,823	**449,790**	**445,389**
Average effective yields	2.0%	-	-	2.2%	2.2%	2.0%
	7,967	-	-	441,823	**449,790**	445,389
	$ 176,280	$ 827,556	$ 675,718	$ 1,156,660	**$ 2,836,214**	$ 3,196,374

[1] Nominal yield reflects the total yield to maturity whereas real yields are net of inflation.

Fixed income pricing risk

Fixed income pricing risk related to financial securities arises from changes in general financial market or economic conditions that may change the pricing of the entire non-government bond market, specific sectors or individual issuers. This risk is generally manifested through changes in the security's credit spread.

WCB's investment portfolio is exposed to fixed income pricing risk through participation in a nominal Canadian bond pool, a global fixed income mandate and a Canadian mortgage pool, as well as through direct holdings of fixed income securities.

The table below presents the effects of a change in the credit spreads of 50 and 100 bps on the non-government portion of the bond portfolio:

($ thousands)	2008		2007	
+/- bp change in nominal interest rate	+50 bp	+100 bp	+50 bp	+100 bp
Nominal bonds[1]	$ (6,906)	$ (13,812)	$ (3,735)	$ (7,470)

[1] Segregated funds only. The real return bond portfolio includes only government issues.

Foreign currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates.

7. Investment Risk Management - continued

In its Canadian fixed income pooled investments, WCB is exposed to foreign currency volatility that is managed through forward foreign-exchange contracts and cross-currency interest rate swaps. The global fixed income segregated fund is fully hedged to the Canadian dollar by utilizing forward currency contracts. For its foreign-equity investments, WCB utilizes a currency overlay to hedge 50% of the aggregate currency exposure from foreign equities. The currency overlay is executed through forward foreign-exchange contracts on the U.S. dollar, euro and other major currencies. As the Canadian dollar moves against hedged foreign currencies, the resulting appreciation or depreciation on foreign investments in the balance sheet is reflected in the statement of operations as a 50% offsetting gain or loss.

WCB's largest currency exposure is to the U.S. dollar, with unhedged holdings of $432,501 (2007 – $583,701); euro exposure is next, with unhedged holdings of $76,834 (2007 – $97,390). For the year ended December 31, 2008, the net loss from the currency overlay was $179,883 (2007 – $118,336 gain).

The table below presents the effects on the foreign equity mandate of a material change in the Canadian/U.S. dollar and Canadian/euro exchange rates:

($ thousands)	2008		2007	
	CAD/USD	CAD/EURO	CAD/USD	CAD/EURO
December 31 spot rate	*0.8100*	*0.5827*	*1.0132*	*0.6930*
10% appreciation in the Canadian dollar	*0.8910*	*0.6410*	*1.1145*	*0.7623*
Global mandate	$ (39,318)	$ (6,985)	$ (53,064)	$ (8,854)

Liquidity risk

Liquidity risk stems from the lack of marketability of a security that cannot be bought or sold quickly enough to prevent or minimize a loss. Lack of liquidity in the market acts as a constraint against optimum portfolio management decisions. Because WCB's operating cash flows are generally sufficient to fund ongoing obligations, market illiquidity is not a critical concern but, from time to time, it may hinder the efficient management of portfolio activities such as rebalancing the asset mix, reallocating assets between fund managers, and funding major commitments.

Through a proactive cash management process that entails continuous forecasting of expected cash flows, WCB mitigates liquidity risk by minimizing the need for liquidations of portfolio assets in volatile markets. To cover unanticipated cash requirements when market conditions are unfavourable, WCB has negotiated a standby line of credit of up to $20 million, which has not been drawn down as at December 31, 2008. Given its stable operating cash flows, active cash management and credit facilities in place, WCB does not believe it has significant liquidity risk.

Securities-lending risk

To generate additional income, WCB participates in a securities-lending program sponsored by its custodian. Under this program, the custodian may lend any of WCB's investments to eligible third parties for short periods. These loans are secured against loss with readily marketable securities having a minimum fair value of 100% of the loan. The custodian is contractually obligated to indemnify WCB for any losses resulting from defective security. For 2008, securities-lending transactions generated income of $2,432 (2007 – $1,644).

WCB is also exposed to securities-lending risk through participation in certain pooled funds.

7. Investment Risk Management - continued

Counterparty default risk

Counterparty default risk arises from the possibility that the issuer of a debt security, or the counterparty to a derivatives contract, fails to discharge its contractual obligation to WCB.

To mitigate counterparty default risk, WCB ensures that the credit ratings of counterparties do not fall below an acceptable threshold. Issuers of debt securities will have at least a B- or equivalent score from a recognized credit-rating agency, or must meet other stringent investment criteria. Counterparties for derivative contracts will have at least an A- credit rating or equivalent from a recognized credit-rating agency.

As at December 31, 2008, the aggregate amount of fixed income securities with counterparty ratings below BBB- is presented in the table below:

($ thousands)	2008	2007
Corporate bonds		
Segregated funds	$ 1,824	$ 352
Pooled funds	3,092	13,023
	$ 4,916	$ 13,375

WCB's Investment Policy also imposes stringent restrictions with respect to material concentration in any single asset class, sector, fund and counterparty. Each fund is closely monitored on a monthly basis for compliance to ensure that aggregate exposures do not exceed those investment constraints.

Derivatives risk

Although derivatives represent an important component of WCB's risk management strategy, the portfolio does not contain any derivatives intended for speculative or trading purposes. An example of derivatives used for risk mitigation is the currency overlay described in the currency risk section, which is a partial hedge of the currency exposure. From time to time, derivatives are also utilized as a portfolio management technique, such as the asset overlay, to replicate a target asset mix or achieve certain asset exposures when it is not possible or cost-effective to hold securities directly.

The notional value of a derivative contract used in a hedging arrangement represents the exposure that is being hedged, and is the amount to which a rate or price is applied in order to calculate the exchange of cash flows. Notional amounts are not indicative of the credit risk associated with such derivative contracts and are not recognized in these financial statements. WCB's credit exposure is represented by the replacement cost of all outstanding contracts in a receivable (positive fair value) position. Counterparty default risk with respect to derivative contracts is mitigated in accordance with investment guidelines described in the earlier section on counterparty default risk.

The table below presents the notional principal, as well as the fair value, of all open derivative contract positions in segregated and pooled funds as at December 31, 2008:

Derivative Exposures in Segregated Funds

($ thousands)		Remaining term to maturity			2008		2007	
	Asset Mandates	Within 1 year	1 to 5 years	5 to 10 years	Notional Principal	Fair Value	Notional Principal	Fair Value
Asset replication contracts								
Equity index futures contracts	Global equities	100%	-	-	$ 186,763	$ 7,108	$ 252,826	$ 3,254
Bond futures contracts	Global fixed income	100%	-	-	286,202	(12,462)	11,312	56
					472,965	(5,354)	264,138	3,310
Foreign-exchange contracts								
Currency overlay forward contracts	Global equities	100%	-	-	1,038,985	(98,680)	2,950,458	17,997
Forward foreign-exchange contracts	Global equities/fixed income	100%	-	-	487,201	4,716	156,004	339
					1,526,186	(93,964)	3,106,462	18,336
					$ 1,999,151	$ (99,318)	$ 3,370,600	$ 21,646

Derivative Exposures in Pooled Funds

($ thousands)		Remaining term to maturity			2008		2007	
	Asset Mandates	Within 1 year	1 to 5 years	5 to 10 years	Notional Principal	Fair Value	Notional Principal	Fair Value
Asset replication contracts								
Equity index swaps	Canadian equities	100%	-	-	$ -	$ -	$ 141,757	$ (728)
Equity index futures contracts	Canadian equities	100%	-	-	-	-	62,906	879
Bond index swaps	Canadian fixed income	100%	-	-	105,276	2,769	196,964	2,140
Bond futures contracts	Global fixed income	100%	-	-	10,705	645	122,997	3,372
					115,981	3,414	524,624	5,663
Interest rate contracts								
Interest rate swaps	Canadian fixed income	10%	-	90%	97,528	(198)	914,803	(528)
Cross-currency interest rate swaps	Canadian fixed income	-	31%	69%	91,771	(6,035)	158,334	19,003
					189,299	(6,233)	1,073,137	18,475
Foreign-exchange contracts								
Forward foreign-exchange contracts	Fixed income	100%	-	-	28,557	(3,275)	44,795	462
Credit derivatives								
Credit default swaps	Canadian fixed income	4%	44%	52%	2,080,889	(33,011)	2,115,882	(5,592)
Other contracts								
Swap option contracts	Canadian fixed income	-	-	-	-	-	1,243,503	235
					$ 2,414,726	$ (39,105)	$ 5,001,941	$ 19,243

8. Property, Plant and Equipment

($ thousands)	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,092	$ -	$ 1,092	$ 1,092
Buildings	39,844	16,713	23,131	22,845
Equipment	13,565	7,599	5,966	2,249
Computer software	104,990	84,600	20,390	19,995
Software under development	8,499	-	8,499	8,251
	$ 167,990	$ 108,912	$ 59,078	$ 54,432

9. Payables and Accruals

($ thousands)	2008	2007
Partnerships in Injury Reduction rebates	$ 71,776	$ 76,851
Accrued employee benefits	25,724	23,815
Other	19,313	22,015
	$ 116,813	$ 122,681

Partnerships in Injury Reduction rebates (Note 13) are paid to those employers that have met the eligibility requirements.

10. Dividends Payable

The table below is a reconciliation of the changes in the dividends charged to the Fund Balance and payable to employers that have met the eligibility criteria for the premium year:

($ thousands)	Change in Fund Balance 2008	Change in Fund Balance 2007	Dividends Payable 2008	Dividends Payable 2007
Special dividend, beginning of year			$ 348,745	$ 443,344
Payment of prior years' dividends			(344,304)	(430,667)
			4,441	12,677
Adjustment of prior years' accruals	$ (68)	$ (9,932)	(68)	(9,932)
Outstanding balance from prior years			4,373	2,745
Special dividend authorized for the year	-	346,000	-	346,000
Special dividend, end of year	$ (68)	$ 336,068	$ 4,373	$ 348,745

11. Claim Benefit Liabilities

Claim benefit liabilities have been independently valued as at December 31, 2008 by WCB's external actuary. Claim benefit liabilities include a provision for all benefits provided by current legislation, WCB policies and administrative practices. These liabilities also include a provision for the future expenses of administering those benefits, including funding obligations to the Appeals Commission and Medical Panel Office. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period. Claim benefit liabilities also do not include a provision for benefit costs of self-insured employers.

Since the claim benefit liabilities of WCB are of a long-term nature, the actuarial assumptions and methods used to calculate the reported claim benefit liabilities are based on considerations of future expenditures over the long term. As the determination of these liabilities requires assumptions about economic and other events that may occur many years in the future, but which are based on best information as at the valuation date, a significant degree of professional judgment must be exercised in developing these assumptions. Accordingly, changes in future conditions within one year of the financial statement date could require a material change in the recognized amounts.

Estimated future expenditures are expressed in constant dollars and then discounted at the assumed real rate of return on investments (i.e., the difference between expected long-term investment earnings and the expected long-term general inflation rate). Long-term economic assumptions are shown in the table following the liabilities presentation. Health care costs are escalated at 6.75% annually to reflect expected higher increases in health care costs and utilization.

The table below presents a breakdown of WCB's total claim benefit liabilities by benefit category as at December 31, 2008, with details of the transactions during the year:

($ thousands)	2008							2007
	Short-term Disability	Long-term Disability	Survivor Benefits	Health Care	Rehabilitation	Claim Administration [1]	Total Claim Liabilities	Total Claim Liabilities
Claim benefit liabilities, beginning of year	$ 380,000	$ 1,989,100	$ 440,400	$ 1,417,300	$ 120,400	$ 259,100	**$ 4,606,300**	$ 4,396,900
Increase in claim benefit liabilities:								
Claim costs incurred								
Current-year injuries	164,815	166,839	32,908	312,384	28,670	74,118	**779,734**	775,911
Prior years' injuries	7,551	55,026	76,829	24,184	(11,375)	39,686	**191,901**	79,353
	172,366	221,865	109,737	336,568	17,295	113,804	**971,635**	855,264
Decrease in claim benefit liabilities:								
Claim payments made								
Current-year injuries	69,615	1,939	1,408	114,384	2,070	26,318	**215,734**	212,411
Prior years' injuries	79,851	127,926	46,329	126,784	20,025	55,586	**456,501**	433,453
	149,466	129,865	47,737	241,168	22,095	81,904	**672,235**	645,864
Claim benefit liabilities, end of year	$ 402,900	$ 2,081,100	$ 502,400	$ 1,512,700	$ 115,600	$ 291,000	**$ 4,905,700**	$ 4,606,300

[1] Claim Administration payments of $81,904 (2007 – $80,006) are comprised of general claim administration (see Note 16) of $72,902 (2007 – $70,769), Appeals Commission of $8,756 (2007 – $8,980) and Medical Panel Office of $246 (2007 – $257).

Key actuarial assumptions

The table below presents the annual rates for key long-term economic assumptions used to determine the claim benefit liabilities:

	2008	2007
Nominal rate of return	5.58%	5.58%
General inflation rate	2.50%	2.50%
Real rate of return	3.00%	3.00%
Cost-of-living allowance	2.00%	2.00%
Wage escalation	3.50%	3.50%
Health care escalation	6.75%	6.75%

Changes in claim benefit liabilities

The table below is a reconciliation of the major changes in the claim benefit liabilities during the year:

($ thousands)		2008	2007
Claim benefit liabilities, beginning of year		**$ 4,606,300**	$ 4,396,900
Add (deduct) changes in liabilities:			
Provision for future costs of current-year injuries		**564,000**	563,500
Interest accrued on the liabilities		**241,800**	242,500
Payments for prior years' injuries, excluding self-insured employers		**(448,630)**	(425,690)
		4,963,470	4,777,210
Add impact of policy changes:		**46,000**	-
Add (deduct) changes in actuarial methodology and experience:			
Changes in actuarial methods and assumptions:			
Reduction in the real rate of return	-		114,800
New incidence rates for outstanding economic loss payments	**(39,900)**		(125,100)
Other changes in methods and assumptions	**92,500**	**52,600**	(69,300)
Claims experience (gains) and losses:			
Difference between actual and expected long-term cost-of-living adjustments and inflation	**25,000**		77,100
Actual costs less than expected	**(96,100)**		(115,700)
Other experience gains	**(85,270)**	**(156,370)**	(52,710)
		(57,770)	(170,910)
Claim benefit liabilities, end of year		**$ 4,905,700**	$ 4,606,300

Sensitivity of actuarial assumptions

The most significant assumption in the determination of the claim benefit liabilities is the real rate of return. The real rate of return is the assumed rate of return in excess of the assumed inflation rate. A reduction in the assumed real rate of return would increase the actuarial present value of the claim benefit liabilities.

Health care benefits represent approximately 31% of the claim benefit liabilities. An increase in the assumed health care escalation rate would result in an increase in the claim benefit liability for health care.

The table below presents key assumptions used to determine the claim benefit liabilities and the sensitivity of the liabilities to an immediate 0.25% increase or decrease in the assumed rates:

($ thousands)	2008		2007	
+/- % change on assumed rates	+0.25%	-0.25%	+0.25%	-0.25%
Real rate of return	$ (136,800)	$ 145,600	$ (126,000)	$ 133,000
Health care escalation rate	$ 52,300	$ (49,600)	$ 48,300	$ (45,800)

12. Employee Future Benefits

Pension plans

Employee post-retirement benefits are provided through contributory multi-employer defined benefit pension plans sponsored by the Province of Alberta, namely the Management Employees Pension Plan (MEPP) and the Public Service Pension Plan (PSPP). As a plan participant in these multi-employer pension plans, WCB's expense for PSPP and MEPP for the year ended December 31, 2008 is equivalent to the aggregate annual contributions of $7,215 (2007 – $7,312). The current employer contribution rates on pensionable earnings are as follows:

MEPP: 18.00% (2007 – 18.00%)

PSPP: 6.69% up to YMPE[9] (2007 – 6.69%), 9.55% above YMPE (2007 – 9.55%)

At December 31, 2008, the Management Employees Pension Plan and the Public Service Pension Plan reported plan deficiencies.

Supplemental executive retirement plan

WCB sponsors a non-contributory supplemental executive retirement plan (SERP), with the WCB Accident Fund covering the obligations of the plan. Earnings of senior management generally exceed the threshold earnings for the maximum pension benefit permitted under the federal *Income Tax Act*. Under the terms of the SERP, senior management is entitled to receive supplemental retirement payments that bring their total pension benefits to a level consistent with their total earnings. Future pension benefits are based on the participants' years of service and earnings.

The cost of benefits is actuarially determined by WCB's benefit consultants using the projected benefit method prorated on service, a market interest rate, management's best estimate of projected costs and the expected years of service until retirement. Current benefit cost represents the actuarial present value of the benefits earned in the current period. Current benefit costs are not cash payments in the period, but are the period expense for rights to future compensation. Interest cost represents the amount required in each year to build up the liability over the projected service period to its future value. Actuarial gains and losses arise from assumption and/or methodology changes and claim experience related to the benefit obligation, and are recognized immediately in current expense.

See Note 17 for a detailed breakdown of SERP costs.

Long-term disability plan

WCB administers a non-contributory long-term disability (LTD) income continuance plan for its employees, with the WCB Accident Fund covering the obligations of the plan. LTD benefits are the sum of all liabilities related to claims that have occurred in the period.

[9] Year's Maximum Pensionable Earnings under the Canada Pension Plan ($44,900 in 2008; $46,300 in 2009).

The cost of benefits is actuarially determined by WCB's benefit consultants based on claims outstanding, a market interest rate, management's best estimate of projected costs and the expected benefit period. Current benefit cost represents the actuarial present value of the expected future payments. Interest cost represents the amount required in each year to build up the liability over the projected benefit period to its future value. Actuarial gains and losses arise from assumption and/or methodology changes and claim experience related to the benefit obligation. Such gains and losses that exceed 10% of the benefit obligation are amortized over the expected average benefit period.

The table below is a summary of the costs and liability balances, as at December 31, 2008, of WCB's employee future benefit plans:

($ thousands)	2008		2007	
	LTD	SERP	LTD	SERP
Accrued benefit liability, beginning of year	$ 12,722	$ 1,095	$ 13,471	$ 666
Current benefit cost	2,202	427	434	212
Interest cost	573	83	451	47
Amortization of actuarial (gains) losses	(72)	-	(190)	-
Actuarial (gains) losses	n/a [1]	(543)	n/a [1]	170
Benefit payments	(1,163)	-	(1,444)	-
Accrued benefit liability, end of year [2]	$ 14,262	$ 1,062	$ 12,722	$ 1,095

[1] LTD plan has unrecognized net actuarial gains for 2008 of $2,838 (2007 – $1,829).
[2] Accrued benefit liabilities are included in "Accrued employee benefits" under "Payables and accruals."

The table below presents key assumptions applicable to WCB-sponsored employee future benefit plans:

	2008		2007	
	LTD	SERP	LTD	SERP
Date of most recent actuarial valuation	12/31/2008	12/31/2008	12/31/2007	12/31/2007
Discount rate (nominal)	6.65%	6.90%	5.50%	5.50%
Inflation rate	n/a	2.50%	n/a	3.00%
Salary escalation rate	4.50%	4.00%	4.50%	5.00%

13. Premium Revenue

($ thousands)	2008	2007
Premiums		
Assessed premium revenue	$ 1,044,036	$ 1,035,324
Self-insured employer revenue (Note 18)	10,542	10,111
Other premium-related revenue	10,965	9,141
	1,065,543	1,054,576
Deduct: partners in injury reduction rebates (Note 9)	71,776	76,851
	$ 993,767	$ 977,725

Assessed premium revenue includes an accrual of $1,477 (2007 – $22,259) for premiums yet to be assessed related to unreported insurable earnings for the current fiscal year. The accrual has been determined using a statistical model that estimates the amount of unreported earnings based on actual returns processed to date and historical patterns of processed to unprocessed returns as at a specified point in time. Historically, year-end premium revenue accruals have ranged from 0.1% to 6.0% of total processed premiums.

Partnerships in Injury Reduction (PIR) rebates are paid to those employers that have met the eligibility requirements in achieving certain workplace safety targets as specified under the program. The estimated rebate amount is based on several factors, including premiums paid, year-over-year improvement on claims experience and safety performance relative to industry benchmarks, among others. Historically, the PIR rebate accrual has ranged from 7% to 8% of total processed premiums.

For both premium and PIR accruals, the difference between actual and estimated amounts in past years has not been material.

14. Investment Income

Investment income[1] - net

($ thousands)	2008	2007
Fixed income		
Nominal bonds:		
Canada[2]	**$ 29,129**	$ 121,635
Other markets	**(15,993)**	1,022
Mortgages	**7,355**	287
Cash and cash equivalents	**5,082**	5,148
	25,573	128,092
Equities		
Domestic	**(19,402)**	109,554
Foreign:		
Global[3]	**(317,436)**	242,195
Emerging markets	**7,252**	48,130
	(329,586)	399,879
Inflation-sensitive		
Real estate	**22,360**	36,627
Infrastructure	**(1,606)**	-
Real-return bonds	**10,721**	11,307
	31,475	47,934
	(272,538)	575,905
Deduct:		
Impairment write-downs	**147,061**	6,435
Investment-related administration expense[4]	**1,734**	1,495
	$ (421,333)	$ 567,975

[1] Investment income is net of transaction costs, external management fees and expenses (i.e., custodial, audit, etc.) of $14,502 (2007 – $12,708) that are netted against the respective revenue source.
[2] Canadian nominal bond income includes a pooled fund write-down of $37,821 (2007 – $380).
[3] Global equity income includes a loss of $179,883 (2007 – $118,336 gain) from the currency overlay.
[4] Internal administration expenses are netted against investment income, but not attributed to specific revenue sources.

Impairment write-downs

WCB applies a three-step process for recognizing impairment losses on available-for-sale investments:

- identifying investments with significant unrealized losses;
- determining whether the decline in value is temporary or other-than-temporary; and
- removing the entire loss from AOCI and recognizing it in income.

Determining whether an investment is impaired is a matter of judgment. WCB interprets other-than-temporary as a decline in value in excess of normal volatility for 12 consecutive months. For securities whose decline in value is particularly severe, or those operating in a troubled sector, or where the prospects for recovery of carrying value is not probable within the expected holding period, the duration criterion may be waived. In applying judgment, WCB also considers such factors as market conditions, facts and circumstances concerning specific securities and their issuers, expectations of performance and the views of other knowledgeable parties, such as fund managers.

15. Other Revenue

($ thousands)	2008	2007
Other	$ 206	$ 217
Millard Health[1]	1,699	733
	$ 1,905	$ 950

[1] Millard Health revenue is net of operating expenses of $23,116 (2007 – $23,754).

16. Administration Expenses

($ thousands)	2008	2007
Salaries and employee benefits	$ 115,708	$ 107,425
Office and technology	25,524	22,698
Amortization of property, plant and equipment	8,771	8,462
Building operations	6,080	5,679
Consulting fees	2,915	2,863
Travel, vehicle operation and other	1,488	1,313
	160,486	148,440
Deduct:		
Claim administration costs	72,902	70,769
Investment management expenses charged to investment income	1,734	1,495
Recovery of costs	3,719	3,415
	$ 82,131	$ 72,761

17. Salaries and Benefits

The table below presents total compensation of the directors and senior management of WCB following the recommendations of the Salary and Benefits Disclosure Directive issued by the Treasury Board of Alberta:

	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	SERP [4]	Total
			2008		
Chair, Board of Directors [5]	$ -	$ 89,688	$ 3,457	$ -	$ 93,145
Board Members [5]	-	175,914	13,004	-	188,918
President and Chief Executive Officer	335,000	179,500	37,459	(52,300)	499,659
Vice-president, Disability and Information Management	250,000	88,500	29,010	(27,800)	339,710
Vice-president, Customer Service and Risk Management	250,000	88,500	30,090	2,000	370,590
Vice-president, Employee and Corporate Services	210,000	69,000	29,111	(8,900)	299,211
Chief Financial Officer	250,000	93,500	31,150	(4,800)	369,850
Secretary and General Counsel	210,000	69,000	31,986	(2,100)	308,886
			2007		
Chair, Board of Directors [5]	$ -	$ 78,650	$ 3,502	$ -	$ 82,152
Board Members [5]	-	146,328	11,490	-	157,818
President and Chief Executive Officer	300,000	162,000	30,679	93,000	585,679
Vice-president, Disability and Information Management	200,000	76,180	27,411	81,900	385,491
Vice-president, Customer Service and Risk Management	200,000	76,000	28,491	65,700	370,191
Vice-president, Employee and Corporate Services	175,000	58,500	27,138	48,800	309,438
Chief Financial Officer	200,000	71,500	29,595	49,200	350,295
Secretary and General Counsel	175,000	58,500	30,444	49,400	313,344

[1] Base salary is pensionable base pay.

[2] Other cash benefits include performance awards, lump sum payments, honoraria, vacation pay and car allowances.

[3] Other non-cash benefits include employer's share of all employee benefits and contributions or payments made to or on behalf of employees, including statutory contributions, pension plan, health care, dental coverage, vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long-term disability plan, travel allowances, educational costs and professional and other memberships. No amounts are included for the value of parking.

[4] Employer's net expense for the supplemental executive retirement plan (SERP). See Note 12 for details of the plan and the following table for the costs related to each named executive officer.

[5] The Chair of the Board of Directors and the nine Board Members are part-time positions.

The current service cost for senior management under the SERP is presented in the table below:

	2008				2007	
	Current Service Cost [1]	Other Costs [2]	Net Cost	Accrued Obligation Dec. 31, 2008	Net Cost	Accrued Obligation Dec. 31, 2007
President and Chief Executive Officer	$ 64,400	$ (116,700)	$ (52,300)	$ 301,900	$ 93,000	$ 354,200
Vice-president, Disability and Information Management	45,300	(73,100)	(27,800)	153,400	81,900	181,200
Vice-president, Customer Service and Risk Management	39,000	(37,000)	2,000	157,800	65,700	155,800
Vice-president, Employee and Corporate Services	26,700	(35,600)	(8,900)	98,000	48,800	106,900
Chief Financial Officer	39,000	(43,800)	(4,800)	70,900	49,200	75,700
Secretary and General Counsel	28,100	(30,200)	(2,100)	110,300	49,400	112,400
Other senior management and inactive members	184,100	(123,000)	61,100	169,900	40,900	108,800
	$ 426,600	$ (459,400)	$ (32,800)	$ 1,062,200	$ 428,900	$ 1,095,000

[1] Current service cost is the actuarial present value of future benefit obligations arising from employee service in the current period.
[2] Other costs include interest on the liability and actuarial gains and (losses) arising from assumption changes and/or experience.

18. Self-Insured Employers

The financial statements include the effects of transactions on behalf of self-insured employers who directly bear the cost of their workers' claims and an appropriate share of administration expenses. Currently, the Federal Government of Canada is the only self-insured employer. This is a contractual relationship in accordance with the *Government Employees Compensation Act*. Certain government-related entities and railways are responsible for the cost of injuries to their workers that occurred when they were self-insured in prior years.

Included in the balance sheet is $1,804 (2007 – $1,071) for receivables. Presented below are the aggregate amounts of premiums and offsetting expenses included in the statement of operations:

($ thousands)	2008	2007
Claim costs	$ 8,444	$ 8,247
Administration	2,098	1,864
Self-insured employer revenue (Note 13)	$ 10,542	$ 10,111

19. Injury Reduction

WCB has a statutory obligation to reimburse the Alberta Minister of Finance and Enterprise a portion of the costs associated with administration of the *Occupational Health and Safety Act*. Funding is also provided to industry-sponsored safety associations to promote improved workplace safety practices. Funding costs incurred are recovered as components of the premium rate charged annually to employers.

The following table shows the amounts paid during 2008 under these programs:

($ thousands)	2008	2007
Occupational Health and Safety	$ 20,900	$ 20,900
Safety associations	13,479	10,176
	$ 34,379	$ 31,076

20. Related-Party Transactions

Included in these financial statements are transactions with various Alberta Crown corporations, departments, agencies, boards and commissions related to WCB by virtue of common influence by the Government of Alberta. Routine operating transactions in the ordinary course of business with related parties are settled at prevailing market prices under normal trade terms.

Included in related-party transactions are certain funding obligations relating to Occupational Health and Safety, the Appeals Commission and the Medical Panel Office that are in accordance with the applicable legislation and/or regulations. Funding costs incurred are recovered as components of the assessed premium rate charged to employers. The amounts outstanding at December 31, 2008, and transactions throughout the year related to statutory funding obligations are as follows:

($ thousands)	2008	2007
Receivables	$ 2	$ 3
Payables and accruals	$ 2,044	$ 2,031
Expenses	$ 29,620	$ 29,879

21. Commitments

WCB has obligations under long-term non-cancellable contracts for land, office space, leased equipment and commitments for purchases of goods and services. The following is a schedule of future expenditure commitments:

($ thousands)	2008	2007
2008	$ -	$ 16,417
2009	18,109	5,648
2010	9,849	2,061
2011	8,581	424
2012	1,517	312
Beyond	9,905	2,744
	$ 47,961	$ 27,606

22. Contingencies and Indemnification

Legal proceedings

WCB is party to various claims and lawsuits related to the normal course of business that are currently being contested. In the opinion of management, the outcomes of such claims and lawsuits are not determinable. Based on the total amount of all such actions however, WCB has concluded that their outcomes, either individually or in aggregate, will not have a material effect on the results of operations or financial position.

Indemnification agreements

In the normal course of business, WCB enters into contractual agreements that contain standard contract terms to indemnify certain parties against loss. The terms of these indemnification clauses will vary based upon the contract and/or the occurrence of contingent or future events, the nature of which prevents WCB from making a reasonable estimate of the potential amount that may be payable to those contractual parties. Such indemnifications are not significant, nor has WCB made any payments or accrued any amounts in the financial statements in respect of these indemnifications.

23. Budget

The Board of Directors approved the 2008 budget in October 2007.

24. Comparative Figures

Certain comparative figures for 2007 have been reclassified where required to conform to the current year's presentation and disclosure.

Glossary

Actuarial required real rate of return
The real rate of return (nominal rate less inflation) on actuarially matched investment assets that will generate sufficient income to cover the interest requirement on the liability. Actuarially matched assets represent the sum that must be invested to earn a real rate of return (identical to the real discount rate) to fully discharge the actuarial liability at maturity. See also **real discount rate**.

Asset-liability management
A risk management approach to ensure sufficiency of resources to discharge specified obligations by managing the risk characteristics of invested assets relative to liabilities for such factors as yields, duration, volatility and default.

Asset-liability study
A financial model for determining the appropriate amount and mix of investment assets, given a specified level of risk, to generate a return that is sufficient to fund the interest requirement of matched claim-benefit liabilities.

Asset overlay
A portfolio management strategy designed to replicate an asset or portfolio position without actually holding securities directly. The desired position is achieved by entering into a futures contract or option on the future price movement of a security or an index.

Average premium rate
Calculated as total revenue requirements divided by the projected insurable earnings for the premium year.

Comprehensive income
The change in equity (or **net assets**) of an enterprise during a period from all transactions and events other than investments by and distributions to owners. Comprehensive income is composed of operating income and other comprehensive income, which includes those revenues, expenses, gains and losses that, in accordance with the primary sources of GAAP, are recognized in comprehensive income but excluded from operating income.

Currency overlay
A foreign-currency risk management strategy used in international investment portfolios to separate the management of currency risk from the asset allocation and security selection decisions of the fund managers.

Derivative
A **financial instrument** whose characteristics and value depend upon the characteristics and value of an underlying security, typically a commodity, bond, equity or currency. Examples of derivatives include futures and options. Derivatives are used to manage the risk associated with the underlying security, to protect against fluctuations in value, or to profit from periods of inactivity or decline.

Fair value
The amount of the consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. In the context of investments, fair value is generally synonymous with market value.

Financial instrument
Any contract that gives rise to a financial asset (e.g., cash equivalent, accounts or note receivable, share security) of one party and a financial liability (e.g., accounts or note payable, bond) or equity instrument (e.g., stock option, warrant) of another party.

Financial risk
The possibility or chance that an investment's return will be other than expected, positively or negatively. In general, financial risk has a negative meaning, as in the possibility of losing some or all of the original investment, or adverse changes in its cash flows. For a specific investment, risk is usually measured by calculating the standard deviation of its historical or average returns. See also **risk**.

Fund management
Fund management is both a framework and a process designed to maintain a level of funding to ensure that:

- Compensation benefits are sustainable and protected;
- Premium rate and funding requirements are predictable; and
- The Accident Fund remains solvent.

The Funding Policy, which embodies these objectives, provides direction for management in financial planning and decision-making. Key processes for fund management include risk assessment, **asset-liability management**, application of funding rules, compliance monitoring and governance.

Funded Position	The excess of total assets less total liabilities, expressed either in dollar terms (see **net assets**) or as a ratio of total assets to total liabilities. The Funded Position is the measure of financial solvency or the sufficiency of assets to meet all obligations. It is the aggregate amount of accumulated equity generated by operating surplus, reserves and other comprehensive income.
Funded ratio	The Funded Position expressed as a percentage of total liabilities, indicating the amount of accumulated surplus, investment holding gains or losses, and reserves available to fund unexpected increases in liabilities. Funded ratio is the key metric of financial solvency used in **fund management**.
Hedging	A portfolio management activity designed to modify an entity's exposure to one or more financial risks by creating an offset between changes in the fair value of or the cash flows attributable to the hedged item and the hedging item (or the changes resulting from a particular risk exposure relating to those items).
Mark to market	Mark to market refers to the accounting process of adjusting the book or carrying value of a security, account or portfolio to its current market value in the financial statements. When market values are not available or are unreliable, an alternative approach is mark to model, which uses the output of a valuation technique or financial model to approximate the expected value.
Meredith Principle	In his report on workers' compensation in 1913, then-Chief Justice of Ontario Sir William Meredith outlined a framework, now commonly known as the Meredith Principle: • Workers receive compensation benefits regardless of fault for work-related injuries. • Employers share collective liability for the costs of work-related injuries and, in return, employees waive the right to sue. • Injured workers are entitled to prompt payment of benefits, and future payments are guaranteed. • The workers' compensation agency has exclusive jurisdiction over all legal matters arising out of the enabling legislation. • The agency is financially independent of the government and enjoys full autonomy over all administrative and adjudicative matters.
Net assets	The excess of total assets less total liabilities, another expression of **Funded Position** in dollar terms. When total liabilities exceed total assets, the deficit is known as unfunded liability.
Real discount rate	The rate used to discount the actuarial projections of all future claim benefit payments back to present value. The rate is based on the real rate of return that the investment portfolio is expected to generate over the long term. The real discount rate is also called the net discount rate or the **actuarial required real rate of return** when applied in a portfolio context.
Real rate of return	The annual percentage return realized on an investment, adjusted for changes in prices due to inflation or deflation.
Return	The return consists of interest and dividend income and the capital gains or losses associated with an investment. The return is usually quoted as a percentage of the investment's market value (market return) or its book value (book return). Performance of an investment or a pool of investments is the actual rate of return over a given evaluation period.
Risk	In general, risk is the possibility or chance that a future event or outcome will be different than expected, either positively or negatively. See also **financial risk**.

Employment and Immigration

Appendices

- Appendix A – Ministry Acts
- Appendix B – Ministry Office Locations
- Appendix C – Alphabetical List of Government Entities' Financial Statements
- Appendix D – Performance Measures Sources and Methodologies

Appendix A

Ministry Acts

The following listing is current as of August 19, 2009:

Agrology Profession Act
- Agrology Profession Regulation (AR 71/2007)

Architects Act
- Architects Act General Regulation (AR 200/2009)

Blind Workers' Compensation Act
- No regulations

Burial of the Dead Act
- No regulations

Consulting Engineers of Alberta Act
- General Regulation (AR 78/2004)

Employment Standards Code
- Employment Standards Regulation (AR 14/1997)

Engineering, Geological and Geophysical Professions Act
- General Regulation (AR 150/1999)
- Registered Professional Technologist (Geological) and Registered Professional Technologist (Geophysical) Regulation (AR 36/2003)

Government Organization Act
- Employment and Immigration Grant Regulation (AR 94/2009)
- Radiation Health Administration Regulation (AR 49/1996)

Income and Employment Supports Act
- Child and Adult Support Services Regulation (AR 61/2004)
- Employment and Training Benefits for Persons with Disabilities Regulation (AR 59/2004)
- Income Supports, Health and Training Benefits Regulation (AR 60/2004)
- Recovery Regulation (AR 46/2004)
- Recovery, Administrative Penalties and Appeals Regulation (AR 381/2003)
- Support Agreement Regulation (AR 155/2005)
- Temporary Employment and Job Creation Programs Regulation (AR 380/2003)
- Training Provider Regulation (AR 384/2003)

Labour Relations Code
- Construction Industry Jurisdictional Assignment Plan Regulation (AR 2/2000)
- Construction Industry Labour Relations Regulation (AR 165/2005)
- Horizon Oil Sands Project Designation Regulation (AR 264/2004)
- Market Enhancement Recovery Fund Distribution Regulation (AR 29/2009)
- Regional Health Authority Collective Bargaining Regulation (AR 80/2003)

Land Agents Licensing Act
- Land Agents Licensing Regulation (AR 227/2001)

Land Surveyors Act
- Code of Ethics (AR 324/1982)
- Discipline Regulation (AR 325/1982)
- Examination and Training Regulation (AR 86/2003)
- Professional Practice Regulation (AR 327/1982)

Managerial Exclusion Act
- No regulations

MLA Compensation Act
- No regulations

Occupational Health and Safety Act
- Farming and Ranching Exemption Regulation (AR 27/1995)
- Occupational Health and Safety Code 2009 Order (AR 87/2009)
- Occupational Health and Safety Regulation (AR 62/2003)

Office of Statistics and Information Act
- Office of Statistics and Information Regulation (AR 145/2009)

Police Officers Collective Bargaining Act
- No regulations

Professional and Occupational Associations Registration Act

- Alberta Community Planner Regulation (AR 240/1989)
- Alberta Institute of Purchasing Management Regulation (AR 131/1989)
- Alberta Shorthand Reporters Regulation (AR 197/1996)
- Certified Management Consultants Regulation (AR 166/2005)
- Human Ecologist and Home Economist Regulation (AR 119/2002)
- Information Systems Professional Regulation (AR 39/1997)
- Local Government Managers Regulation (AR 52/2006)
- Municipal Assessor Regulation (AR 84/1994)
- Professional Biologists Regulation (AR 120/2002)
- Professional Chemists Regulation (AR 248/2001)
- Professional Electrical Contractors and Master Electricians Regulation (AR 36/2004)
- School Business Officials Regulation (AR 37/2004)

Public Service Employee Relations Act

- No regulations

Radiation Protection Act

- Radiation Protection Regulation (AR 182/2003)

Regulated Accounting Profession Act

- Certified General Accountants Regulation (AR 176/2001)
- Certified Management Accountants Regulation (AR 177/2001)
- Chartered Accountants Regulation (AR 178/2001)

Regulated Forestry Profession Act

- Expenses and Review Fees Regulation (AR 77/2002)
- Registered Professional Forest Technologists Regulation (AR 76/2002)
- Registered Professional Foresters Regulation (AR 75/2002)

Special Payment Act

- No regulations

Veterinary Profession Act

- Exemption Regulation (AR 43/1986)
- General Regulation (AR 44/1986)

Widows' Pension Act

- Widows' Pension Regulation (AR 166/1983)

Workers' Compensation Act

- Firefighters' Primary Site Cancer Regulation (AR 102/2003)
- Medical Panels Regulation (AR 290/2006)
- Workers' Compensation Regulation (AR 325/2002)

The Minister of Employment and Immigration continues to be designated as the Minister responsible for the following enactments:

- *Government Organization Act*, Schedule 3, section 1 - Career Development - Immigration Program
- *Government Organization Act*, Schedule 3, section 2 - Donations and Loans
- *Government Organization Act*, Schedule 8 - Joint Board of Practice - Architects Association and the Engineers Association
- *Government Organization Act*, Schedule 10, sections 2, 3, 4, 9 and 10 - Labour Statutes Delegation - The Minister of Municipal Affairs and the Minister of Employment and Immigration have common responsibilities for these sections
- *Government Organization Act*, Designation and Transfer of Responsibility Regulation (AR 44/2001) - The Ministry is not responsible for this regulation, however it does list the Acts our Minister is responsible for
- *Health Professions Act*, section 22 - The Deputy Minister of Employment and Immigration has the authority to designate one employee to the Health Professions Advisory Board
- The responsibility for the *Office of Statistics and Information Act*, except section 6, is transferred to the common responsibility of the Minister of Finance and Enterprise and the Minister of Employment and Immigration.

Appendix B

Ministry Office Locations

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION SERVICE OFFICES

ATHABASCA
Alberta Service Centre
300 Duniece Centre
4810 – 50 Street
Athabasca AB T9S 1C9
Phone: 780-675-2243

BARRHEAD
Alberta Service Centre
PO Box 4517
Provincial Building
6203 – 49 Street
Barrhead AB T7N 1A4
Phone: 780-674-8345

BONNYVILLE
Alberta Service Centre
Box 8115, New Park Place
5201 – 44 Street
Bonnyville AB T9N 2J4
Phone: 780-826-4175

BOW CORRIDOR
Alberta Service Centre
301 Provincial Building
800 Railway Avenue
Canmore AB T1W 1P1
Phone: 403-678-2363

BROOKS
Alberta Service Centre
200, 600 Cassils Road East
Brooks AB T1R 1M6
Phone: 403-362-1278

CALGARY - EAST
Alberta Service Centre
Main Floor Radisson Centre
525 – 28 Street SE
Calgary AB T2A 6W9
Phone: 403-297-1907

Canada-Alberta Service Centre
1502 Marlborough Mall
515 Marlborough Way NE
Calgary AB T2A 7E7
Phone: 403-297-7570

CALGARY - NORTH
Canada-Alberta Service Centre
One Executive Place
300, 1816 Crowchild Road NW
Calgary AB T2M 3Y7
Phone: 403-297-3951

CALGARY - SOUTH/CENTRAL
Alberta Service Centre
10th & 10th Office
Main Floor, RPW Building
1021 – 10 Avenue SW
Calgary AB T2R 0B7
Phone: 403-297-2094

Calgary Child Support Services
7th Floor John J. Bowlen Building
620 – 7 Avenue SW
Calgary AB T2P 0Y8
Phone: 403-297-6060

Canada-Alberta Service Centre
100, 6712 Fisher Street SE
Calgary AB T2H 1X3
Phone: 403-297-4024

Employment Standards
Storefront Operations
700 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: 780-427-3731
Toll-free: 1-877-427-3731

Labour Market Information Centre
5th Floor Century Park Place
855 – 8 Avenue SW
Calgary AB T2P 3P1
Phone: 403-297-6344

Temporary Foreign Worker Advisory Office
3rd Floor John J. Bowlen Building
620 – 7 Avenue SW
Calgary AB T2P 0Y8
Phone: 1-877-944-9955

Workplace Health & Safety
South Region
600 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: 1-866-415-8690

CAMROSE
Alberta Service Centre
3rd Floor Gemini Centre
6708 – 48 Avenue
Camrose AB T4V 4S3
Phone: 780-608-2525

CLARESHOLM
Alberta Service Centre
Box 1650, Provincial Building
109 – 46 Avenue West
Claresholm AB T0L 0T0
Phone: 403-625-4457

COCHRANE
Itinerant Site
213 – 1 Street West
Cochrane AB T4C 1A5
Phone: 403-678-2363

COLD LAKE
Alberta Service Centre
PO Box 698
408, 6501 – 51 Street
Cold Lake AB T9M 1P2
Phone: 780-594-1984

CROWSNEST PASS
Alberta Service Centre
PO Box 870
Provincial Building
12501 – 20 Avenue
Blairmore AB T0K 0E0
Phone: 403-562-3285

DRAYTON VALLEY
Sub-Office
PO Box 7595
2nd Floor Provincial Building
5136 – 51 Avenue
Drayton Valley AB T7A 1S7
Phone: 780-542-3134

DRUMHELLER
Alberta Service Centre
Box 2079
2nd Floor Riverside Centre
180 Riverside Drive East
Drumheller AB T0J 0Y0
Phone: 403-823-1616

EDMONTON - CITY CENTRE
Alberta Service Centre
3rd Floor,
10242 – 105 Street
(Labour Market Information Centre – Main Floor)
Edmonton AB T5J 3L5
Phone: 780-415-4900
LMIC Phone: 780-427-9674

Child Support Services Office
9th Floor
Centre West Building
10035 – 108 Street
Edmonton AB T5J 3E1
Phone: 780-415-6400

Employment Standards
Storefront Operations
Main Floor Sterling Place
9940 – 106 Street
Edmonton AB T5K 2N2
Phone: 780-427-3731
Toll-free: 1-877-427-3731

Temporary Foreign Worker Advisory Office
2nd Floor
10242 – 105 Street
Edmonton AB T5J 3L5
Phone: 1-877-944-9955

Workplace Health & Safety
North Region
10th Floor South Tower
Capital Health Centre
10030 – 107 Street
Edmonton AB T5J 3E4
Phone: 780-415-8690

EDMONTON - NORTH
Alberta Service Centre
200, 13415 Fort Road
Edmonton AB T5A 1C6
Phone: 780-422-9440

Canada-Alberta Service Centre
Unit 2000, Northgate Centre
9499 – 137 Avenue
Edmonton AB T5E 5R8
Phone: 780-422-9440

EDMONTON - SOUTH
Canada-Alberta Service Centre
Argyll Centre
6325 Gateway Boulevard NW
Edmonton AB T6H 5H6
Phone: 780-644-2888

EDMONTON - WEST
Alberta Service Centre
200 Westcor Building
12323 Stony Plain Road
Edmonton AB T5N 4A9
Phone: 780-415-6500

Canada-Alberta Service Centre
120 Meadowlark Shopping Centre
15710 – 87 Avenue
Edmonton AB T5R 5W9
Phone: 780-415-8116

EDSON
Canada-Alberta Service Centre
1st Floor Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: 780-723-8317

Employment Standards
Walk-In Address
Canada-Alberta Service Centre
102 Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Toll-free: 1-877-427-3731

FORT MCMURRAY
Canada-Alberta Service Centre
Main Floor
Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Phone: 780-743-7192

Employment Standards
7th Floor, Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Toll-free: 1-877-427-3731

Workplace Health & Safety
7th Floor, Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Toll-free: 1-866-415-8690

FORT SASKATCHEWAN
Itinerant Site
162, 10404 – 99 Avenue
Fort Saskatchewan AB
T8L 3W2
Phone: 780-939-1251

GRANDE CACHE
Alberta Service Centre
PO Box 240
702 Pine Plaza Mall
Grande Cache AB T0E 0Y0
Phone: 780-827-3335

GRANDE PRAIRIE
Canada-Alberta Service Centre
100 Towne Centre Mall
9845 – 99 Avenue
Grande Prairie AB T8V 0R3
Phone: 780-538-6241

Employment Standards
3201 Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Toll-free: 1-877-427-3731

Workplace Health & Safety
3rd Floor Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: 1-866-415-8690

HIGH LEVEL
Alberta Service Centre
Box 774
1st Floor Provincial Building
10106 – 100 Avenue
High Level AB T0H 1Z0
Phone: 780-841-4315

HIGH PRAIRIE
Alberta Service Centre
PO Box 849
2nd Floor Provincial Building
5226 – 53 Avenue
High Prairie AB T0G 1E0
Phone: 780-523-6650

HINTON
Alberta Service Centre
568 Carmichael Lane
Hinton AB T7V 1S8
Phone: 780-865-8273

LAC LA BICHE
Alberta Service Centre
PO Box 420
Provincial Building
9503 Beaverhill Road
Lac La Biche AB T0A 2C0
Phone: 780-623-5215

LEDUC
Alberta Service Centre
4901 – 50 Avenue
Leduc AB T9E 6M1
Phone: 780-980-0557

LETHBRIDGE
Alberta Service Centre
Mail Bag 3014
Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: 403-380-2272

Employment Standards
360 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Toll-free: 1-877-427-3731

Workplace Health & Safety
360 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: 1-866-415-8690

LLOYDMINSTER
Alberta Service Centre
2nd Floor Provincial Building
5124 – 50 Street
Lloydminster AB T9V 0M3
Phone: 780-871-6405

Canada-Alberta Service Centre
5016 – 48 Street
Lloydminster AB T9V 0H8
Phone: 780-871-6445

MEDICINE HAT
Alberta Service Centre
Rm 5 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: 403-529-3683

Employment Standards
103 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Toll-free: 1-877-427-3731

Workplace Health & Safety
103 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: 1-866-415-8690

OLDS
Alberta Service Centre
PO Box 3810
4905 – 50 Avenue
Olds AB T4H 1P5
Phone: 403-507-8060

PEACE RIVER
Alberta Service Centre
Bag 900-15
Midwest Building
9715 – 100 Street
Peace River AB T8S 1T4
Phone: 780-624-6135

Employment Standards
Main Floor
Provincial Building
9621 – 96 Avenue
Peace River AB T8S 1T4
Toll-free: 1-877-427-3731

PINCHER CREEK
Alberta Service Centre
Box 2138
160 Provincial Building
782 Main Street
Pincher Creek AB T0K 1W0
Phone: 403-627-1125

RED DEER
Alberta Service Centre
109 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: 403-340-5439

Canada-Alberta Service Centre
2nd & 3rd Floors
Box 302
First Red Deer Place
4911 – 51 Street
Red Deer AB T4N 6V4
Phone: 403-340-5353

Employment Standards
209 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Toll-free: 1-877-427-3731

Workplace Health & Safety
2nd Floor
Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: 1-866-415-8690

ROCKY MOUNTAIN HOUSE

Alberta Service Centre
PO Box 1180
Main Floor
New Provincial Building
4919 – 51 Street
Rocky Mountain House AB T4T 1A8
Phone: 403-845-8590

SHERWOOD PARK

Alberta Service Centre
Tailor Made Business Centre
#105, 85 Cranford Way
Sherwood Park AB T8H 0H9
Phone: 780-464-7000

SLAVE LAKE

Alberta Service Centre
PO Box 70
2nd Floor Lakeland Centre
101 Main Street South
Slave Lake AB T0G 2A0
Phone: 780-849-7290

SMOKY LAKE

Itinerant Site
Provincial Building
4212 – 55 Avenue
Smoky Lake AB T0A 3C0
Phone: 780-632-5453

SPRUCE GROVE

Alberta Service Centre
200 Westgrove Professional Building
131 – 1 Avenue
Spruce Grove AB T7X 2Z8
Phone: 780-962-8681

ST. ALBERT

Alberta Service Centre
Provincial Building
30 Sir Winston Churchill Avenue
St. Albert AB T8N 3A3
Phone: 780-419-3907

ST. PAUL

Canada-Alberta Service Centre
PO Box 309
5126 – 50 Avenue
St. Paul AB T0A 3A0
Phone: 780-645-6473

Employment Standards
Mailing Address
PO Box 403
Provincial Building
5025 – 49 Avenue
St. Paul AB T0A 3A4

Walk-In Address
Canada-Alberta Service Centre
Provincial Building
5126 – 50 Avenue
St. Paul AB T0A 3A0
Toll-free: 1-877-427-3731

STETTLER

Alberta Service Centre
Postal Bag 600
4835 – 50 Street
Stettler AB T0C 2L0
Phone: 403-742-7586

TABER

Sub-Office
Provincial Building
5011 – 49 Avenue
Taber AB T1G 1V9
Phone: 403-223-7921

VEGREVILLE

Alberta Service Centre
PO Box 1590
5121 – 49 Street
Vegreville AB T9C 1S7
Phone: 780-632-8686

VERMILION

Alberta Service Centre
PO Box 25
Provincial Building
4701 – 52 Street
Vermilion AB T9X 1J9
Phone: 780-853-8164

WAINWRIGHT

Alberta Service Centre
Suite 19 Provincial Building
810 – 14 Avenue
Wainwright AB T9W 1R2
Phone: 780-842-7500

WESTLOCK

Alberta Service Centre
11304 – 99 Street
Westlock AB T7P 0A4
Phone: 780-349-7700

WETASKIWIN

Alberta Service Centre
1st Floor Macadil Building
5201 – 51 Avenue
Wetaskiwin AB T9A 0V5
Phone: 780-361-1272

WHITECOURT

Alberta Service Centre
Box 749
202 Midtown Mall
5115 – 49 Street
Whitecourt AB T7S 1N7
Phone: 780-778-7149

E&I CONTACT CENTRES

7th Floor Park Plaza
10611 – 98 Avenue
Edmonton AB T5K 2P7

Alberta Health Benefits
Phone: 780-427-6848
Toll-free: 1-877-469-5437

Canada-Alberta JOBS
Phone: 780-427-5627
Toll-free: 1-800-999-1546

Career Information Hotline
Phone: 780-422-4266
Toll-free: 1-800-661-3753

Employment Standards
Phone: 780-427-3731
Toll-free: 1-877-427-3731

Immigrate to Alberta (I2A) Information Service
Phone: 780-427-6419
Toll-free: 1-877-427-6419

Income Support Services
Phone: 780-644-5135
Toll-free: 1-866-644-5135

Student Funding
Phone: 780-427-3722
Toll-free: 1-800-222-6485

Temporary Foreign Worker Helpline
Phone: 780-644-9955
Toll-free: 1-877-644-9955

Workplace Health & Safety
Phone: 780-415-8690
Toll-free: 1-866-415-8690

ALBERTA LABOUR RELATIONS BOARD

EDMONTON
501 Labour Building
10808 – 99 Avenue
Edmonton AB T5K 0G5
Phone: 780-422-5926

CALGARY
3rd Floor Deerfoot Junction
Tower 3
1212 – 31 Avenue NE
Calgary AB T2E 7S8
Phone: 403-297-4334

APPEALS COMMISION FOR ALBERTA WORKERS' COMPENSATION

EDMONTON
Energy Square Building
#901, 10109 – 106 Street
Edmonton AB T5J 3L7
Phone: 780-412-8700

CALGARY
Braithwaite Boyle Building
#206, 1701 Centre Street North
Calgary AB T2E 7Y2
Phone: 403-508-8800

FRANCOPHONE SECRETARIAT

EDMONTON
500, HSBC Building
10055 - 106 Street
Edmonton, AB T5J 1G3
Phone: 780-415-3348

CALGARY
6th Floor, 855 - 8 Avenue SW
Calgary, AB T2P 3P1
Phone: 403-476-4666

OCCUPATIONAL HEALTH AND SAFETY COUNCIL

EDMONTON
9th Floor Labour Building
10808 – 99 Avenue
Edmonton, AB T5K 0G5
Phone: 780-415-0599

WORKERS' COMPENSATION BOARD – ALBERTA

EDMONTON
PO Box 2415
9912 – 107 Street
Edmonton AB T5J 2S5
Phone: 780-498-3999
Toll-free: 1-866-922-9221

CALGARY
300 – 6 Avenue SE
Calgary AB T2G 0G5
Phone: 403-517-6000

WORKERS' COMPENSATION MEDICAL PANELS

EDMONTON
Suite 2701 TD Tower
10088 – 102 Avenue
Edmonton AB T5J 2Z1
Telephone: 780-990-0059
Toll-free: 1-866-990-0214

Appendix C

Alphabetical List of Entities' Financial Statements in Ministry 2008-09 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Access to the Future Fund	Advanced Education and Technology
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund	Finance and Enterprise
Alberta Capital Finance Authority	Finance and Enterprise
Alberta Energy and Utilities Board[1]	Energy
Alberta Enterprise Corporation[2]	Advanced Education and Technology
Alberta Foundation for the Arts	Culture and Community Spirit
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance and Enterprise
Alberta Heritage Savings Trust Fund	Finance and Enterprise
Alberta Heritage Scholarship Fund	Finance and Enterprise
Alberta Heritage Science and Engineering Research Endowment Fund	Finance and Enterprise
Alberta Historical Resources Foundation	Culture and Community Spirit
Alberta Insurance Council	Finance and Enterprise
Alberta Investment Management Corporation[3]	Finance and Enterprise
Alberta Livestock and Meat Agency[4]	Agriculture and Rural Development
Alberta Local Authorities Pension Plan Corporation	Finance and Enterprise
Alberta Pensions Administration Corporation	Finance and Enterprise
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance and Enterprise
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance and Enterprise
Alberta Social Housing Corporation	Housing and Urban Affairs
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks and Recreation
Alberta Treasury Branches	Finance and Enterprise
Alberta Utilities Commission[1]	Energy
ATB Insurance Advisors Inc.	Finance and Enterprise
ATB Investment Management Inc.	Finance and Enterprise
ATB Investment Services Inc.	Finance and Enterprise
ATB Securities Inc.	Finance and Enterprise
Child and Family Services Authorities:	Children and Youth Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	

[1] Effective January, 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.
[2] The Act was proclaimed and came into force on December 5, 2008.
[3] Began operations July 1, 2008.
[4] Incorporated on January 29, 2009.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Child and Family Services Authorities:	Children and Youth Services
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	
C-FER Technologies (1999) Inc.	Advanced Education and Technology
Climate Change and Emissions Management Fund[5]	Environment
Credit Union Deposit Guarantee Corporation	Finance and Enterprise
Colleges:	Advanced Education and Technology
Alberta College of Art and Design	
Bow Valley College	
Grande Prairie Regional College	
Grant MacEwan College	
Keyano College	
Lakeland College	
Lethbridge Community College	
Medicine Hat College	
Mount Royal College	
NorQuest College	
Northern Lakes College	
Olds College	
Portage College	
Red Deer College	
Department of Advanced Education and Technology	Advanced Education and Technology
Department of Agriculture and Rural Development	Agriculture and Rural Development
Department of Children and Youth Services	Children and Youth Services
Department of Culture and Community Spirit	Culture and Community Spirit
Department of Education	Education
Department of Energy	Energy
Department of Finance and Enterprise	Finance and Enterprise
Department of Environment	Environment
Department of Health and Wellness	Health and Wellness
Department of Housing and Urban Affairs	Housing and Urban Affairs
Department of Municipal Affairs	Municipal Affairs
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Department of Tourism, Parks and Recreation	Tourism, Parks and Recreation
Energy Resources Conservation Board[1]	Energy
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance and Enterprise
Government House Foundation	Culture and Community Spirit
Historic Resources Fund	Culture and Community Spirit
Human Rights, Citizenship and Multiculturalism Education Fund	Culture and Community Spirit
iCORE Inc.	Advanced Education and Technology
Lottery Fund	Solicitor General and Public Security
Ministry of Aboriginal Relations[6]	Aboriginal Relations
Ministry of Advanced Education and Technology	Advanced Education and Technology

[1] Effective January, 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.
[5] Began operations July 1, 2007.
[6] Ministry includes only the department so separate financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Ministry of Agriculture and Rural Development	Agriculture and Rural Development
Ministry of Children and Youth Services	Children and Youth Services
Ministry of Culture and Community Spirit	Culture and Community Spirit
Ministry of Education	Education
Ministry of Employment and Immigration[6]	Employment and Immigration
Ministry of Energy	Energy
Ministry of Environment	Environment
Ministry of Executive Council[6]	Executive Council
Ministry of Finance and Enterprise	Finance and Enterprise
Ministry of Health and Wellness	Health and Wellness
Ministry of Housing and Urban Affairs	Housing and Urban Affairs
Ministry of Infrastructure[6]	Infrastructure
Ministry of International and Intergovernmental Relations[6]	International and Intergovernmental Relations
Ministry of Justice[6]	Justice
Ministry of Municipal Affairs	Municipal Affairs
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Service Alberta[6]	Service Alberta
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Tourism, Parks and Recreation	Tourism, Parks and Recreation
Ministry of Transportation[6]	Transportation
Ministry of the Treasury Board[6]	Treasury Board
N.A. Properties (1994) Ltd.	Finance and Enterprise
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Provincial Judges and Masters in Chambers Reserve Fund	Finance and Enterprise
Regional Health Authorities and Provincial Health Boards:	Health and Wellness
Alberta Cancer Board	
Alberta Mental Health Board	
Aspen Regional Health Authority	
Calgary Health Region	
Capital Health	
Chinook Regional Health Authority	
David Thompson Regional Health Authority	
East Central Health	
Health Quality Council of Alberta	
Northern Lights Health Region	
Peace Country Health	
Palliser Health Region	
Safety Codes Council	Municipal Affairs
School Boards and Charter Schools:	Education
Almadina School Society	

[6] Ministry includes only the department so separate financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
School Boards and Charter Schools:	Education
Aspen View Regional Division No. 19	
Aurora School Ltd.	
Battle River Regional Division No. 31	
Black Gold Regional Division No. 18	
Boyle Street Education Centre	
Buffalo Trail Public Schools Regional Division No. 28	
Calgary Arts Academy Society	
Calgary Girls' School Society	
Calgary Roman Catholic Separate School District No. 1	
Calgary School District No. 19	
Calgary Science School Society	
Canadian Rockies Regional Division No. 12	
CAPE-Centre for Academic and Personal Excellence Institute	
Chinook's Edge School Division No. 73	
Christ the Redeemer Catholic Separate Regional Division No. 3	
Clearview School Division No. 71	
East Central Alberta Catholic Separate Schools Regional Division No. 16	
East Central Francophone Education Region No. 3	
Edmonton Catholic Separate School District No. 7	
Edmonton School District No. 7	
Elk Island Catholic Separate Regional Division No. 41	
Elk Island Public Schools Regional Division No. 14	
Evergreen Catholic Separate Regional Division No. 2	
FFCA Charter School Society	
Foothills School Division No. 38	
Fort McMurray Roman Catholic Separate School District No. 32	
Fort McMurray School District No. 2833	
Fort Vermilion School Division No. 52	
Golden Hills School Division No. 75	
Grande Prairie Public School District No. 2357	
Grande Prairie Roman Catholic Separate School District No. 28	
Grande Yellowhead Regional Division No. 35	
Grasslands Regional Division No. 6	
Greater North Central Francophone Education Region No. 2	
Greater Southern Public Francophone Education Region No. 4	
Greater Southern Separate Catholic Francophone Education Region No. 4	
Greater St. Albert Catholic Regional Division No. 29	
High Prairie School Division No. 48	
Holy Family Catholic Regional Division No. 37	
Holy Spirit Roman Catholic Separate Regional Division No. 4	
Horizon School Division No. 67	
Lakeland Roman Catholic Separate School District No. 150	
Lethbridge School District No. 51	
Living Waters Catholic Regional Division No. 42	
Livingstone Range School Division No. 68	
Medicine Hat Catholic Separate Regional Division No. 20	
Medicine Hat School District No. 76	
Moberly Hall School Society	

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
School Boards and Charter Schools:	Education
Mother Earth's Children's Charter School Society	
New Horizons Charter School Society	
Northern Gateway Regional Division No. 10	
Northern Lights School Division No. 69	
Northland School Division No. 61	
Northwest Francophone Education Region No. 1	
Palliser Regional Division No. 26	
Parkland School Division No. 70	
Peace River School Division No. 10	
Peace Wapiti School Division No. 76	
Pembina Hills Regional Division No. 7	
Prairie Land Regional Division No. 25	
Prairie Rose School Division No. 8	
Red Deer Catholic Regional Division No. 39	
Red Deer School District No. 104	
Rocky View School Division No. 41	
St. Albert Protestant Separate School District No. 6	
St. Paul Education Regional Division No. 1	
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	
Sturgeon School Division No. 24	
Suzuki Charter School Society	
Westmount Charter School Society	
Westwind School Division No. 74	
Wetaskiwin Regional Division No. 11	
Wild Rose School Division No. 66	
Wolf Creek School Division No. 72	
Supplementary Retirement Plan Reserve Fund	Finance and Enterprise
Technical Institutes and The Banff Centre:	Advanced Education and Technology
Northern Alberta Institute of Technology	
Southern Alberta Institute of Technology	
The Banff Centre for Continuing Education	
Universities:	Advanced Education and Technology
Athabasca University	
The University of Alberta	
The University of Calgary	
The University of Lethbridge	
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Tourism, Parks, Recreation and Culture

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	Ministry Annual Report
Alberta Foundation for Health Research	Advanced Education and Technology
Alberta Heritage Foundation for Medical Research	Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research	Advanced Education and Technology
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance and Enterprise

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	Ministry Annual Report
Long-Term Disability Income Continuance Plan - Bargaining Unit	Treasury Board
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Treasury Board
Management Employees Pension Plan	Finance and Enterprise
Provincial Judges and Masters in Chambers (Registered Pension Plan)	Finance and Enterprise
Public Service Management (Closed Membership) Pension Plan	Finance and Enterprise
Public Service Pension Plan	Finance and Enterprise
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance and Enterprise
Supplementary Retirement Plan for Public Service Managers	Finance and Enterprise
Workers' Compensation Board	Employment and Immigration

Appendix D

Performance Measures Sources and Methodologies

The following information is a summary of Employment and Immigration's (E&I) performance measures sources and methodologies for the results reported in the Results Analysis Section. It highlights important elements for the reader, such as explaining how the performance measure results were calculated.

Performance Measure 1.a

Labour productivity: inter-provincial rank of real Gross Domestic Product in dollars per hour worked (#1 is the highest)

METHODOLOGY

E&I calculates provincial labour productivity by using real Gross Domestic Product (GDP) at basic prices per hour worked for all jobs. GDP at basic prices is derived from GDP at market prices, but excludes indirect taxes and subsidies on products.

Real GDP data is in chained 2002 dollars. Chained dollars is a measure used to express real prices. Real prices are those that have been adjusted to remove the effect of changes in the purchasing power of the dollar. They usually reflect buying power relative to a base year, for example, expressing dollars as a base year of 2002.

Performance Measure 1.b

Alberta First Nations, Métis and Inuit off-reserve labour force

METHODOLOGY

The First Nations, Métis and Inuit labour force represents the number of the working-age population (ages 15 and over) living off-reserve that is either employed or actively seeking employment (unemployed). This is calculated as a 12-month average for the calendar year, using the unadjusted results in the calculation. All data is retrieved from the Labour Force Survey (LFS), which is conducted and distributed by Statistics Canada.

Performance Measure 1.c

Inter-provincial rank of labour force participation rate (#1 is the highest)

METHODOLOGY

The labour force participation rate is a measure of the proportion of an economy's working-age population (ages 15 and over) that is employed or unemployed (actively seeking employment). It is calculated as a 12-month average of Statistics Canada's monthly Labour Force Survey results. The labour force participation rate for Alberta is compared to each of the 10 provinces and the inter-provincial ranking is determined.

Performance Measure 1.d

Percentage of employers who reported no positions vacant for more than four months

METHODOLOGY

The result for this measure is obtained biennially and will be available in 2009-10.

Performance Measure 2.a

Number of Temporary Foreign Workers and new immigrants to Canada who choose Alberta as their destination

METHODOLOGY

This information is obtained from the Citizenship and Immigration Canada (CIC) publication, *Facts and Figures 2008: Immigration Overview.*

The number of Temporary Foreign Workers and new immigrants to Canada who choose Alberta as their destination is defined as the sum of new immigrants, Temporary Foreign Workers arriving for the first time as temporary residents (Initial Entries) and Temporary Foreign Workers who have been temporary residents before but are re-entering with a new permit issued abroad (Re-entries), who are all destined to land in Alberta in a calendar year.

Number of Temporary Foreign Workers and new immigrants to Canada who choose Alberta as their destination = New Immigrants + Initial Entries + Re-entries

Performance Measure 2.b

Alberta's ranking in net inter-provincial migration

METHODOLOGY

Final estimates of inter-provincial migration are calculated by comparing addresses indicated on personal income tax returns over two consecutive tax years. Canada Revenue Agency (CRA) improves the coverage by identifying non-filing individuals mainly through information reported by the persons filing and/or through CRA's Child Tax Benefit file. An adjustment is made to take into account migrants not filing income tax returns. The detailed methodology for the adjustment is available in the following Statistics Canada report: *Wilkinson, P., 2004. Estimates of internal migration based on new and old methods for combined annual periods 1996-1997 to 2000-2001.*

Using this Statistics Canada data, Alberta Finance and Enterprise prepares the Alberta Population Report on a quarterly basis. This report includes inter-provincial migration statistics for each province and territory.

Net inter-provincial migration = total in-migration – total out-migration

Performance Measure 2.c

Number of provincial nominations forwarded to the federal government

METHODOLOGY

The Alberta Immigrant Nominee Program (AINP) forwards nominations to the federal government to help skilled foreign workers expedite their applications for immigrant status. This helps Alberta employers to attract skilled workers in selected occupations to address skilled labour shortages.

AINP staff monitor the number of nominations forwarded to the federal government using the AINP database. The result of this measure is produced at the end of the fiscal year through a count of AINP nominations forwarded.

Performance Measure 2.d

Percentage of International Qualifications Assessment Services clients who felt they received a fair assessment of their credentials

METHODOLOGY

IQAS certificates may help immigrants enter the labour market, gain membership in professional licensing bodies and admission into post-secondary institutions. This performance measure provides information on the number of clients who believe that International Qualifications Assessment Services (IQAS) provided them with a fair assessment. Assessment services include the following service categories: Basic, Description of Course Work, Assessment for Educational Institution and Duplicate Certificates.

The result for this measure is based on the following question:
"For the statement—IQAS provided a fair assessment of my credentials, please indicate whether you strongly disagree, disagree, agree, or strongly agree."

$$\% = \frac{\text{Agree + Strongly Agree}}{\text{Agree + Strongly Agree + Disagree + Strongly Disagree}} \times 100$$

Performance Measure 3.a

Percentage of participants in skills programs employed post-intervention

METHODOLOGY

This performance measure indicates the success in finding employment for participants in skills programs. The percentage of participants employed post-intervention includes those in Work Foundations (WF), Training for Work (TFW), Job Placement (JP) and Apprenticeship programs. Results for the WF, TFW and JP portions of this measure are obtained through the Work Outcomes Reporting Project (WORP) survey. To measure the rates of those employed after leaving the Apprenticeship Program, Advanced Education and Technology conducts a Graduates of Apprenticeship and Industry Training System Survey every two years.

The percentage of WF/TFW/JP participants employed post-intervention is obtained from the question, "Have you been employed at any time since you left <program name>?" "Yes" and "No" responses are used to calculate the measure result. The percentage of Apprenticeship participants employed post-intervention is obtained from the Graduates of Apprenticeship Satisfaction Survey. This survey was conducted in 2008-09 for 2007-08 graduates. The 2007-08 survey results were used for calculating the 2008-09 measure results due to the absence of a 2008-09 survey.

An independent consultant is retained through WORP to contact former program participants three months after they leave TFW, WF and JP programs.

Performance Measure 3.b

Percentage of participants in skills programs who indicate their training helped prepare them for future employment

METHODOLOGY

The percentage of participants who indicated their training helped prepare them for future employment includes those in TFW and WF programs. Results for this measure are obtained through the TFW and WF WORP survey. The percentage of participants who indicate their training helped prepare them for future employment is generated for the question, "Did your training prepare you for future employment?" "Yes" and "No" responses are used to calculate the measure result.

An independent consultant is retained through WORP to contact former program participants three months after they leave TFW and WF programs.

Performance Measure 3.c

Percentage of participants employed after leaving Income Support

Results for this measure are obtained through the Income Support Work Outcomes Reporting Project (WORP) survey. The participants' employment level is obtained from the question, "Have you been employed at any time since you stopped receiving social assistance (welfare)?" "Yes" and "No" responses are used to calculate the measure result.

An independent consultant is retained through WORP to contact former Income Support program participants three months after they left the program.

Performance Measure 3.d

Percentage of Child Support Services clients with potential for child support who have a support order or an agreement in place when the file closes

METHODOLOGY

Single parents and parents of blended families in Income Support, Alberta Adult Health Benefit and Assured Income for the Severely Handicapped programs are eligible for help through Child

Support Services. The performance measure result is based on the cumulative total of monthly Child Support Services file closures. This excludes those files that were determined, after a Child Support Services assessment, to have no potential for a child support order or agreement. Examples of reasons for this include: no ability to pay, whereabouts unknown, respondent deceased, couple reconciled, etc. This result forms the denominator, from which the number of files with an order or agreement in place at the time of file closure is used as the numerator. This measure is reported by fiscal year and is calculated using the following formula:

$$\%\ \text{orders/agreements} = \frac{\#\ \text{of files closed with an order/agreement in place}}{\#\ \text{of files closed with potential for an order/agreement}} \times 100\%$$

Performance Measure 3.e

Percentage of Alberta Child Health Benefit parents who agree they are able to obtain health services they would not otherwise have been able to get for their children

METHODOLOGY

ACHB parents are surveyed every second year to provide feedback on the services they receive. The result of this measure is a weighted average of the results of three survey questions:

"Using a scale of strongly disagree, somewhat disagree, somewhat agree or strongly agree, to what extent do you disagree or agree that:

- The Alberta Child Health Benefit Program helps your children get dental services that they would not otherwise be able to receive;
- The Alberta Child Health Benefit Program helps your children get optical services (such as eye care and glasses) that they would not otherwise be able to receive; and
- The Alberta Child Health Benefit Program helps your children get prescribed drugs that they would not otherwise be able to receive."

The weighting factor for each question is calculated by dividing the number of responses for that question by the number of total responses for all three questions. The percentage of strongly agree and somewhat agree responses in all responses for each question is then multiplied by the weighting factor to generate a weighted percentage for that question. The result of this measure is the sum of the weighted percentages of the three questions. In 2008-09, 405 ACHB clients completed the survey, representing an estimated margin of error of +/-4.8 per cent at a 95 per cent confidence level for the survey.

Performance Measure 4.a

Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout)

METHODOLOGY

This measure examines the percentage of Collective Bargaining Agreements (CBAs) that have been successfully negotiated and ratified by the parties involved without a work stoppage. E&I collects data on the number of CBAs settled without a work stoppage and the number of legal strikes and lockouts. This measure examines the total number of CBAs settled but does not

include data on illegal strikes and lockouts. This measure is reported by fiscal year and is calculated using the following formula:

$$\%\ \text{of CBAs settled without a work stoppage*} = \frac{(\#\ \text{of settled CBAs}) - (\#\ \text{of settlements with a work stoppage})}{\#\ \text{of settled CBAs}} \times 100\%$$

* This measure includes data from all contracts under the *Alberta Labour Relations Code* and the *Police Officers' Collective Bargaining Act*. Contracts covered under other legislation are excluded (i.e., contracts under the *Public Service Employees Relations Act*, Federal jurisdiction, the *Post-Secondary Learning Act*).

Performance Measure 4.b

Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards

METHODOLOGY

The data for the total number of employers with a complaint filed against them is captured by E&I's Employment Standards Information System (ESIS). The data for the total number of employers in Alberta is obtained from Statistics Canada: Canadian Business Patterns. This data set is a repository of information reflecting the Canadian business population and serves as a data source for the compilation of business demographic information. Data is collected daily and cleansed monthly. This data is filtered to count only employers who fall under the Alberta Employment Standards Code and Regulations, and who have one or more employee.

The result for this measure is calculated using the following formula:

$$\frac{(\text{total \# of employers in Alberta}) - (\text{total \# of employers with a complaint filed against them})}{\text{total \# of employers in Alberta}} \times 100\%$$

Performance Measure 4.c

Lost-Time Claim Rate: number of lost-time claims per 100 person-years worked

METHODOLOGY

The Lost-Time Claim (LTC) rate represents the probability, or risk, of injury or disease to a worker during a period of one year's work. The measure indicates the number of LTCs per 100 person-years worked to indicate increases or decreases in this risk. One person-year is equivalent to one full-time worker working for one year, or 2,000 hours worked.

The Workers' Compensation Board – Alberta (WCB) records a LTC when a worker, his/her physician, or his/her employer submits an injury report form. The WCB collects this information and provides the data files to E&I for analysis. The LTC rate is reported by calendar year and is calculated by E&I using the following formula:

$$\text{LTC Rate} = \frac{\#\ \text{of lost - time claims} \times 100}{\text{estimated person - years}}$$

Performance Measure 4.d

Disabling Injury Rate: number of disabling injury claims per 100 person-years worked

METHODOLOGY

A disabling injury claim combines both the lost-time and modified-work concepts to produce an overall figure where an occupational injury or disease disables the worker causing either time lost from work or their normal work duties to be modified. The Disabling Injury Rate indicates the number of disabling injuries per 100 person-years worked to indicate increases or decreases in this risk. For more information on lost-time claims and person-years, see performance measure 4.c.

The WCB records a disabling injury when a worker, his or her physician, or his or her employer submits an injury report form. The WCB collects this information and provides the data files to E&I for analysis. The Disabling Injury Rate is reported by calendar year and is calculated by E&I using the following formula:

$$\text{Disabling Injury Rate} = \frac{\text{\# of disabling injury claims} \times 100}{\text{estimated person - years}}$$

Performance Measure 5.a

Average number of days from the acceptance of an application to the date of the first hearing

METHODOLOGY

The Alberta Labour Relations Board (ALRB) Case Management System tracks all data relating to applications and hearing dates. In this performance measure, a report has been created from the database that identifies each matter before ALRB during the reporting period. It calculates the average number of calendar days for all matters from the date of the application to the first day of the first hearing.

Performance Measure 5.b

Percentage of applications, with Board involvement, settled before reaching a formal hearing

METHODOLOGY

The ALRB Case Management System tracks all data relating to the disposition of matters. In this performance measure, a report is created from the database that identifies each matter before ALRB and the type of resolution for that matter (withdrawal/informal settlement). The number of matters resolved before hearings are identified and calculated as a percentage of all matters.

Performance Measure 5.c

Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s)

METHODOLOGY

The ALRB Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 90 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

Performance Measure 5.d

Percentage of decisions rendered within 180 calendar days from the completion of the hearing(s)

METHODOLOGY

The ALRB Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 180 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

Performance Measure 6.a

Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized (Standard and Complex Appeals)

METHODOLOGY

The Appeals Commission Appeals Management System (AMS) tracks all data in a fiscal year relating to each appeal. AMS generates a report that calculates the average number of days from the date an appeal is first entered into the system until the panel issues the final decision.

The average number of days figure is calculated by subtracting the average number of days that are not in the Commission's control from the average total days from 'appeal' to 'finalize' statuses. The statuses that are not in the Commission's control are intake pending, pending, administrative adjournment, adjourned sine-die, adjourned party and client deferred.

The Appeals Commission business rules outline the process for changing the appeal stream from Standard to Complex after the intake stage.

Performance Measure 6.b

Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration

METHODOLOGY

The Appeals Commission AMS tracks all data relating to each appeal. AMS generates reports that calculate the number of decisions sent back by the Courts or the Ombudsman and the number of decisions the Appeals Commission reconsiders as a result of reconsideration applications or on its Own Motion. In 2002, the Workers' Compensation Act was amended to include a statutory right of appeal (s. 13.4) on questions of law or jurisdiction.